

FINANCIAL TIMES

Japanese seek new economic direction, Page 12

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World news

Business summary

Denmark snubbed in EEC row

Denmark received a brush-off from three other members of the European Community - Britain, the Netherlands and Italy - for its attempt to renegotiate EEC reforms approved by Community leaders last month.

UK Foreign Secretary Sir Geoffrey Howe and Italian Foreign Minister Giulio Andreotti communicated the rejection of Denmark's demands to their Danish colleagues, Uffe Ellemann-Jensen, during his lightning tour of Community capitals to explain his Government's position.

Other EEC members are expected to adopt a similar attitude, a prospect which paradoxically the minority Danish coalition is likely to welcome. The Government of Poul Schlüter will then be able to go back to the Danish Parliament, which rejected the reform measures on Tuesday, and tell it its renegotiation demands are unacceptable to the other member states. Page 14

'Bomb caused crash'

An unpublished Canadian government report blamed a bomb explosion for the crash of an Air India aircraft off Ireland last year in which 300 people died, a court in New Delhi heard. Earlier Indian reports referred only to an explosion.

Bodies found

Six tortured bodies were found in Guatemala City, a week after the country's first democratic government in 31 years took office. A human rights activist said the discovery could indicate that the Government has no control over political violence.

Poles sentenced

Three Polish space scientists who interrupted a television broadcast last year to appeal to voters to boycott elections, received suspended 18-month jail sentences at the end of their trial. Page 2

SA police kill 7

South African police said they had shot dead seven black men and injured 40 during a search for the killers of two white policemen. Page 4

Aden rescue blocked

Fighting in the South Yemeni capital of Aden blocked efforts by French and British ships to evacuate an estimated 1,200 non-Soviet foreigners living in the country. Page 4

Soviets 'not spying'

The US Federal Communications Commission found no firm evidence of electronic spying by the Soviet embassy in Washington after several days of secret surveillance.

Spanish air strike

Spain's main air traffic controllers' union decided to press ahead with a further campaign of disruptive actions starting from the weekend. Page 2

Easter Island riddle

Norwegian explorer Thor Heyerdahl has returned to the Easter Island in the Pacific after 30 years to try to solve how the 20-tonne statues were moved by an ancient civilisation to their present site.

US GNP up 2.4% in fourth quarter

THE US economy grew at a real annual rate of 2.4 per cent in the fourth quarter of 1985, dropping the rate of expansion for the year as a whole to an annual rate of 2.3 per cent. This was sharply down from the 8.6 per cent surge recorded in 1984. Page 7

LONDON: Interest fears receded and prices rebounded despite sterling's dismal performance against other leading currencies. The FT index closed 14.9 up at 1,123.8, and the FTSE 100 added 12.8 to 1,390.9. Page 8

TOKYO: Technical rally of blue chips helped prices to rebound after four consecutive losing sessions. The Nikkei average gained 41.82 to 12,223.32. Page 36

WALL STREET: The Dow Jones industrial average closed down 12.16 at 1,502.29. Page 36

DOLLAR closed in New York at DM 2.4593; SF 2.0823; Ffr 1.5475 and 2701.80. It fell sharply in London, closing at DM 2.4475 (DM 2.4577), Ffr 1.5125 (Ffr 1.54), SF 2.076 (SF 2.084) and 2701.55 (2702.4). On Bank of England figures the dollar's index fell to 125.3 from 125.9. Page 29

STERLING closed in New York at \$1.3915. It fell 1.25 cents against the dollar in London to \$1.3945. It also declined to DM 3.4125 (DM 3.4575), Ffr 10.475 (Ffr 10.6075), SF 2.895 (SF 2.9325) and 2781.0 (2784.75). The pound's exchange rate index fell 0.9 to 75.3. Page 29

GOLD fell \$2.25 on the London bullion market to \$350.50 and was also lower in Zurich at \$353.85. In New York the Comex February settlement was \$351.5. Page 28

ALUMINIUM prices were depressed in London on rumours of a production increase planned at Alcoa's Mount Holly smelter in South Carolina. Cash quotation closed \$15.50 (\$21.6) down, at \$776 a tonne. Alcoa later said no decision had been taken. Page 28

TIN: Britain pressed the International Tin Council to vote on a proposal to open negotiations with the organisation's creditors. Earlier report, Page 26

WINE: 1982 clarets fetched lower prices than last year in an auction at Sotheby's, London. Page 11

ROCKWELL International, US military aircraft and electronics manufacturer, reported lower first-quarter net operating earnings of \$125.8m, or 84 cents a share, against \$140.5m, or 94 cents, in the year-ago period, on higher revenue of \$2.77bn compared with \$2.38bn.

SOCIÉTÉ GÉNÉRALE, France's third largest nationalised bank, estimates that group profits last year rose more than 30 per cent above the 1984 level of Ffr 827m (\$122.9m). Page 15

CONTINENTAL BANK of Canada, whose stability was endangered by a run on deposits last autumn, wants to renew the C\$2.9bn (US\$2.07bn) support package provided by the Bank of Canada and six large banks. Page 15

SPERRY, US computer and defence group, lifted earnings 11 per cent in its third quarter, to the end of December, but only because a \$12.7m charge in the same period of 1984 depressed the figures in that year. Page 15

AMR, parent company of American Airlines, second largest US carrier, earned record profits for the third consecutive year, despite a sharp slowdown in the rate of growth in the final quarter of 1985. Page 15

TAN KOON SWAN, Malaysian businessman and politician held in custody in Singapore, will learn today if he faces criminal charges over his involvement with Pen-Electric Industries. Page 17

VOLESWAGEN of West Germany paid a record DM 13m (\$8.3m) last year to employees with ideas for improving output and profits.

GM sets up central control of its car activities in Europe

BY KENNETH GOODING IN LONDON

GENERAL MOTORS, the world's biggest automotive group, plans a major shake-up of its loss-making European car business. It is to establish an organisation to co-ordinate its operations in 17 European countries.

Substantial changes which have swept through GM in the US since Mr Roger Smith took over as chairman in 1981 have now reached Europe. They come at a time when GM's sales of Opel and Vauxhall cars, at 1.21m, and production at 1.32m, have reached record levels but while the group is still suffering substantial losses in Europe.

The group reported a loss of \$291m on European sales (including component and commercial vehicle operations) worth \$7bn in 1984.

Opel, GM's West German subsidiary, revealed yesterday it had suffered another loss last year, but not as great as the DM 65m (\$24m) for 1984. Vauxhall in the UK has already given a warning that its 1985 loss will be greater than the £3.4m (\$5.7m) in the previous 12 months.

It will be similar in concept to Ford of Europe, set up 17 years ago, in that it will have no legal status and will be only an advisory organisation. The legal and business sta-

tes of the national GM companies will not change.

Unlike Ford of Europe, however, the GM organisation will not have any responsibility for the group's component or commercial vehicle operations although its structure would allow them to be taken under the European 'umbrella' at some later stage.

GM said yesterday the co-ordina-

tion centre was being established in response to the increased importance and growing competitiveness of the European car market.

"Our substantially increased car sales in Europe; a competitive situation that calls for quick decisions; and an environment that is becoming increasingly complex and interconnected, all demand strengthened co-ordination among our European operations," said Mr James McDonald, GM president.

The new organisation, called General Motors Europe - Passenger Cars, will be established next month in Zurich, neutral territory away from GM's major production centres near Frankfurt and near London.

Nearly all the key executives will be drawn from Opel which will supply 100 of the 200 staff. The rest will be drawn from GM companies all over Europe.

Mr Ferdinand Piechler, chairman and managing director of Opel, will be president (chief executive) of the new organisation.

Mr John Fleming, chairman and managing director of Vauxhall, will be vice president in charge of sales.

Mr Fleming said the new organi-

Continued on Page 14

Agreed cash offer values Group Lotus at £22.7m

BY JOHN GRIFFITHS IN LONDON

GROUP LOTUS, the UK sports car and engineering concern, yesterday became the subject of an agreed bid from General Motors, the world's largest car maker. GM has already acquired 58 per cent of the company, mainly from British Car, Datsun, which rescued Lotus from the threat of bankruptcy in 1983.

The offer places a value of £22.7m (\$31.8m) on Lotus.

GM made clear yesterday it was seeking 100 per cent control, although Toyota, which has a 21.5 per cent stake, gave no indication that it was prepared to give up its own holding.

The move into Lotus is the latest in a succession of acquisitions by GM. In slightly more than two years it has bought Electronic Data Systems, the Dallas-based computer systems group, for \$2.5bn, Hughes Aircraft Group for \$5bn, and a number of smaller concerns. It recently held talks with BL on the possible acquisition of Land Rover-Leyland, its commercial vehicles division.

Yesterday GM also announced a major reorganisation of its car operations within Europe. However, Mr Robert Eaton, vice president of

GM's advanced engineering division, said this had no connection with Group Lotus, which would report directly to GM in Detroit.

Mr Eaton indicated that the principal reason for acquiring Lotus was its engineering expertise, for which, he said, Lotus had "a world-wide reputation."

Lotus would operate independently. "It will continue to design, make and market performance cars" and GM would not take over its distribution. However, GM would provide marketing and sales support if requested.

It was "hoped" Lotus would also continue its engineering consultancy activities for other manufacturers. Mr Michael Kimberley, Lotus's chief executive, said he saw "no difficulties" in this respect, "provided we do it the right way."

The consultancy business, which has current contracts worth £20m, is the largest single amount of which is accounted for by GM - has been a major factor in Lotus's return to profitability. It announced a first-half profit of £345,000 this year on turnover of £3.8m.

Yesterday's announcement ended a suspension in trading of Lotus

shares in force since last Wednesday. The cash offer values them at 120.5p. At the suspension of trading they stood at 120p, but rose to the offer price last night.

GM said it intended to increase overall business activity in Lotus, which was likely to create more jobs.

Mr Kimberley, presumably aware of GM's interest, had first cast recently that up to 1,700 jobs could be created during the next few years. Lotus currently employs 630 people.

GM's holding was acquired mainly from BCA (28 per cent) and J. C. Beaufort, the construction equipment group (18 per cent). The balance was made up of just under 11 per cent held by merchant bankers Schroeder Wagg and Lotus directors, who recommended the offer as "fair and reasonable."

The existing management is to remain, although a replacement chairman has yet to be named for Mr David Watkins, who is also chairman of BCA.

Lex, Page 16; News analysis, Page 24

Allianz to buy UK insurer

BY JONATHAN CARR IN FRANKFURT AND ERIC SHORT AND CHARLES BATCHELOR IN LONDON

ALLIANZ, West Germany's biggest insurance group, yesterday announced an agreement to buy Cornhill Insurance, the UK composite insurance group for £305m (\$425m) from BTR, the British industrial conglomerate headed by Sir Owen Green.

The deal means Allianz will at last gain its long-desired foothold in the British market, and it marks another step in the company's policy of strong foreign expansion.

Three years ago Allianz sought to acquire Eagle Star, a leading British composite insurer, but finally lost the fiercely fought £368m takeover battle to BAT Industries.

Allianz was criticised at the time for "strong arm tactics" and later made clear that it would adopt a different strategy when it sought to buy into the British market again.

The statement issued yesterday by Allianz headquarters in Munich stressed that the latest deal with

BTR had been reached "in friendly accord" with the Cornhill management.

BTR said it had negotiated the Cornhill deal with Allianz on an exclusive basis, agreeing to talk solely to the West German company, which in return paid a premium price. Allianz was anxious not to be involved once again in an auction.

BTR acquired Cornhill 2 1/2 years ago as part of its £255m takeover of Thomas Tilling, another conglomerate.

For BTR, the sale will bring in a substantial cash sum, which will boost its already strong finances and prepare the ground for any further acquisitions.

Sir Owen denied, however, that BTR was putting together a "war chest." BTR decided to sell Cornhill because, despite BTR's broad range of industrial activities, it had no other financial services involvement.

Lex, Page 14; News analysis, Page 22

France to aid ports, build road links to Chunnel

By David Housego in Paris

THE FRENCH Government yesterday announced a Ffr 5bn to Ffr 6bn (\$850m to \$800m) road development programme to link the Channel Tunnel with the motorway system of continental Europe.

It also said that about Ffr 750m would be invested in improving port facilities at Dunkirk, Calais and Dieppe - all of which are expected to be hard hit by the decline in cross-Channel ferry traffic after the tunnel is built.

The major new road scheme will be a four-lane highway from the Belgian frontier along the coast to Calais, Boulogne, Abbeville and Rouen. At Rouen it would join up with the French motorway network thus providing access to Brittany and also to the south via the ring road around Paris. The new highway would be completed by 1993 before the opening of the tunnel.

The other major scheme would be the completion of the A 28 autoroute between Arras and Calais thus linking the Channel Tunnel with the motorways leading to northern Europe. This section was due to be completed under existing French motorway plans.

Of the Ffr 5bn-to-Ffr 6bn programme announced yesterday, Ffr 3.9bn will be provided by the state, of which Ffr 2.7bn represents a commitment of new funds. The remaining Ffr 1.2bn to Ffr 2.2bn would be provided by the regions concerned.

Mr Jean Aureux, French Minister of Transport, said that the new motorway schemes would not be affected by a possible change of government in France in March. Although technically he cannot give such a pledge, his statement reflects the fact that the Channel Tunnel and the motorway back-up scheme have the support of all the major French political parties.

Road travellers from Britain will also be provided with further access to continental Europe's motorway network through another planned autoroute that will link Paris with Beauvais, Amiens and Abbeville.

The French state railways, SNCF, also announced yesterday that it would spend Ffr 300m to link the tunnel with the national rail system by electrifying the line from Calais to Hazebrouck. SNCF open for discussion is the building of a high-speed train (TGV) line to link Calais with the north of Europe.

The Ffr 750m to be spent on the ports will include an extension of the harbour at Calais and the modernisation of the fishing port at Boulogne.

Continued on Page 14

£ slides again amid doubts on British policy

BY PHILIP STEPHENS IN LONDON

THE POUND lost another 1 per cent of its value on foreign exchange markets yesterday, intensifying the pressure on the UK Government to react by raising interest rates.

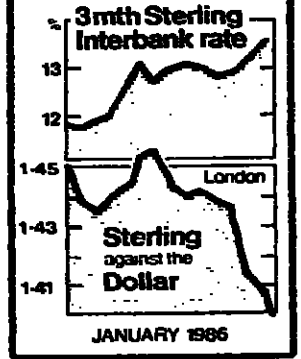
The Bank of England, however, gave no clear indication of whether it was prepared to endorse an immediate rise in base rates from the present 12 1/2 per cent.

Its stance contributed to growing uncertainties in financial markets over whether the authorities were prepared for the time being to let sterling take the strain of the recent fall in oil prices.

The perception that the Government was trying to avoid a politically damaging increase in interest rates added to speculation against the pound. The foreign exchange markets are awash with rumours that the Government is softening its line on the exchange rate. Mr Stephen Lewis, chief economist at broker Phillips & Drew, commented:

"Mrs Margaret Thatcher, the Prime Minister, indicated earlier this week that the Government was not prepared to allow a fall in sterling to jeopardise its inflation objectives. It remained unclear, however, at what point the Government might act."

Yesterday, the sterling index, which measures the pound's value



3mth Sterling Interbank rate
Sterling against the Dollar
JANUARY 1986

against the currencies of Britain's main trading partners, fell by 0.9 points to close at 75.3.

The pound fell to a new low against the D-Mark, losing 4.5 pence to end the day in London at DM 3.4125. Against the dollar, it fell 1.25 cents to \$1.3945.

On the London money markets, wholesale interest rates rose to a level consistent with 13 1/2 per cent base rates.

The general view among City of London economists was that, barring an unexpected rebound in the pound's value, base rates would be

Continued on Page 14

Pressure grows for Brittan to resign

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

MRS MARGARET THATCHER, the British Prime Minister, intends to counterattack strongly in the House of Commons this afternoon over the Westland helicopter affair as the Government was last night plunged into an even deeper political crisis after renewed pressure on Mr Leon Brittan, the Trade and Industry Secretary, to resign.

Mrs Thatcher apparently decided at an emergency meeting in Downing Street to batter down the hatches in face of the growing storm. This was despite advice from senior party managers in the House of Lords and the Commons, together with other senior ministers, that Mr Brittan's position has become untenable.

Downing Street officials last night denied that there was any question of a resignation and indicated that Mrs Thatcher, with Mr Brittan at her side, must this after-

noon mount a strong defence of the Government's handling of the affair with "guns blazing."

Some other ministers believe that this course is not sustainable, and for the first time, senior Members of Parliament are drawing parallels with former US President Richard Nixon's handling of the Watergate crisis.

Westminster was last night awash with rumours about the new crisis, including reported arguments involving Mrs Thatcher and Mr Brittan. Moreover, Mr Alan Williams, an opposition Labour Party front bench spokesman, intervened in a Commons debate to claim that the law officers had "issued an ultimatum as far as their own position

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New Sikorsky plan for Westland expected, Page 8

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EUROPEAN NEWS

Fiat group pledges independence for Corriere della Sera

BY ALAN FRIEDMAN IN MILAN

THE INDEPENDENCE of Italy's leading newspaper, Corriere della Sera will be guaranteed until final court decisions are taken about its ownership, according to Gemina, the group controlled by Fiat which took majority control of the paper last month.

The acquisition was ruled illegal by the Italian parliament's media watchdog on Tuesday night.

Professor Mario Sinopoli, its leader, said that a Milan magistrate would be asked to declare null and void the takeover in which Gemina acquired 56 per cent of the Rizzoli-Corriere publishing group.

Mr Giovanni Agnelli, Fiat's chairman, already owns La Stampa, the respected Turin daily newspaper. By taking over the Corriere della Sera, albeit through Gemina, he has gained control of more than a quarter of Italy's newspaper market.

The law, which until now has been only casually followed, restricts a single owner to no more than 20 per cent of national newspaper sales.

The Rizzoli-Corriere group was bought from receivers in the autumn of 1984 by a consortium of northern Italian industrialists. At the time Gemina had 46 per cent of Corriere but last month it increased its stake to 56 per cent and Mr Cesare Romiti, Fiat's managing director, was appointed Gemina chairman.



Fiat chairman Giovanni Agnelli already owns La Stampa.

Meanwhile, the Montedison group, which through its Meta subsidiary has 23 per cent of Corriere, has seen its stake rendered impotent as a result of the move. Montedison owns Il Messaggero, a Rome daily.

Prof Sinopoli stated clearly that his ruling on Corriere was not influenced by any politicians, although several senior Socialist Party deputies have raised questions over Fiat's press influence in recent weeks. Gemina has reacted to the ruling by saying it will guarantee the independence of the Corriere della Sera and await court decisions.

Price protest shuts most petrol stations in Italy

BY JAMES BUXTON IN ROME

MOST PETROL stations in Italy were closed yesterday on the first day of a three-day strike by operators in protest at government proposals to free petrol prices from official control.

Spurred on by the oil companies, the government is contemplating dismantling some of the extremely rigid regulations which govern petrol stations. The maximum price per litre is set at present, in accordance with a formula based on the average of prices in the other EEC countries. Opening hours are tightly con-

trolled, and official permission is required even to install new pumps. It can take years to obtain such permits.

The oil companies complain that the Italian distribution system is highly inefficient. There are 36,700 filling stations, nearly twice as many as in the other major EEC countries, but they can open for only nine hours a day for 280 days a year. Because only 25 per cent must open on Sunday and all must have a half-day off each week, it is possible for Italy's many one-man filling stations to earn enough to stay in business.

Corruption inquiry on W. Berlin municipality

By Leslie Collett in Berlin

THE CHRISTIAN DEMOCRAT (CDU)-led city government of West Berlin has been stunned by the most serious charges of municipal corruption since the end of the Second World War.

Two previous Social Democrat (SPD) mayors of West Berlin were forced to resign because of corruption scandals in their administrations.

Legal investigations have been launched by the city's Justice Department against senior officials of the city's finance and building departments and a district mayor has been arrested on suspicion of bribing city officials. All the officials under investigation except a former SPD district economics councillor are members of Chancellor Helmut Kohl's CDU.

The affair erupted this week after a hull following the arrest last year of a CDU district building councillor on suspicion of accepting bribes.

The popular young mayor of West Berlin since 1984, Mr Eberhard Diepgen, offered to launch a parliamentary inquiry which is now almost certain to take place. If the charges are proven he could come under pressure to resign along with his deputy.

Spanish flights again at risk

By David White in Madrid

SPAIN'S MAIN air traffic controllers' union is to begin a further campaign of disruptive action this weekend, after a series of meetings with civil aviation authorities. It will resume the staggered strikes of November and December and continue them up to and including the peak Easter period.

Talks are expected to continue, however, in an attempt to avert the action, which threatens to set back recovery hopes at the state-run airlines Iberia and Aviaco. The union, which represents about half Spain's air controllers, is demanding pay increases averaging about 50 per cent against an offer of 12 per cent. It is also seeking shorter hours and earlier retirement.

France seeks partners for fighter project

BY DAVID MARSH IN PARIS AND LAURA RAUN IN AMSTERDAM

FRANCE HOPES that prospects for building a light-weight combat fighter aircraft for the 1990s in co-operation with Belgium, Denmark, the Netherlands and Norway have improved following talks between the five nations here on Tuesday.

The talks involved defence ministry officials as well as representatives from the aerospace industries of the countries concerned. They were meant to lay the groundwork for possible

agreement on specifications for a fighter to be based on the Rafale prototype unveiled by Dassault-Breguet last month. A spokesman for Dassault said the company's chairman Mr Benno Claude Vallieres as well as other senior executives, took part in the talks. Mr Emile Blanc, armaments director at the Defence Ministry, led the Government's team.

The French Defence Ministry wants to bring an 8.5 tonne fighter into service in the middle-to-late 1990s. It has been exploring the possibility of co-operating with the group of northern European countries which will be seeking replacement fighters around the same time.

The Ministry has told Dassault that the Rafale, currently developed in 9.5 tonne demonstration form, is too heavy for its needs and will require further refinements in future years. It has indicated that it may not have to make a final

decision on the fighter until about 1990.

Proposals for joint production of components for the Rafale and the four-nation European Fighter Aircraft are to be presented to the Independent European Programme Group (IEPG) on April 28 in Madrid. The IEPG, which comprises the European members of NATO except for Iceland, seeks to foster joint development, production and procurement of military material. The manu-

facture of common components for the EFA—which involves West Germany, Italy, Spain and Britain—and the Rafale could significantly lower costs.

The Netherlands, Belgium, Norway and Denmark, the four countries that have used the F16, have stopped short of committing themselves to the Rafale and established a study group to consider other candidates as a new fighter for the 1990s. The study group will report back in March.

Soviet farm administration loses some fat

By Our Moscow Correspondent

THE HEAD of the Soviet agriculture "superministry" said yesterday that the "clumsy and expensive apparatus" of six former agriculture ministries had been trimmed by 47 per cent.

Mr Vsevolod Murakhovskiy, recently elevated to First Deputy Premier, did not make clear whether it was costs or personnel that had been reduced, but between 2,000 and 6,000 bureaucrats are reported to have lost their posts.

He told the weekly Literaturnaya Gazeta that agriculture used to be supervised by 266 departments and 49 associated bodies. Now, work is divided among 10 main bodies, with 26 institutes and a variety of other agriculture-related ministries.

Mr Murakhovskiy indicated that he will steer agriculture away from giant projects towards the practical streamlining advocated by Mr Mikhail Gorbachev, the Soviet leader. The central task of Soviet agriculture was to increase grain production, he said, but gave no targets. He said meat production should increase by 3.9m tons by 1990—a growth rate that would double that in the last five-year plan.

He confirmed a politburo decree last year that more land be parcelled out in small holdings for private cultivation of fruits and vegetables and decided that this contravenes Socialist principles. Mechanisation was spreading, he said, but was unable to promise that teenagers in Central Asia would not continue to spend 50 days of their school year gathering the harvest.

Burt stirs Bonn's calm waters

BY RUPERT CORNWELL IN BONN

THE DIPLOMATIC ways of Mr Richard Burt, the US ambassador of four months at Bonn, are causing undisguised irritation in the Foreign Ministry here, and doing little to reduce frictions on key issues like Star Wars and Libya between the US and West Germany.

In the space of a few days, Mr Burt has been obliged to deny to both Mr Hans Dietrich Genscher, the Foreign Minister and to Chancellor Kohl himself, remarks attributed to him, neither of them the conventional stuff of comment by an ambassador about his host country or its leaders.

The first incident revolves around a purported off-the-record description by Mr Burt

of Mr Genscher, a stubborn and resourceful opponent of West German participation in Star Wars, as "a slippery man."

That drew an effusive disclaiming letter last week from ambassador to Foreign Minister. Mr Burt denied ever having used the words, speaking of his admiration for Mr Genscher and the "new high point" attained by German-US relations.

Almost simultaneously, he has felt constrained to deny to the Chancellor that he ever commented, as widely reported, that Bonn's objections to sanctions against Libya were "pure theory."

The flurry in part reflects the contrast in style between

Mr Burt and the previous US ambassador here, Mr Arthur Burns. Only 38 years old and a previous Under-Secretary of State for European Affairs in Washington, Mr Burt is a natural magnet for publicity. His predecessor was elderly, and as discreet as a beetle's former chairman of the Federal Reserve, the US central bank.

Since taking up his post last September, Mr Burt has given frequent interviews, background briefings and speeches. Not only has his high profile behaviour thrown a boulder into the normally placid diplomatic waters of Bonn, he has also drawn some criticism that he is acting like a proconsul of West Germany's protecting superpower.

Turkey warns on Cyprus aid

BY DAVID BARCHARD IN ANKARA

ANKARA has warned the self-proclaimed Turkish Republic of Northern Cyprus that it must learn to stand on its own feet economically, and that major subsidies will be phased out by 1990. Government aid is likely to be cut by 12.5 per cent annually from this year.

The Turkish Cypriot Minister of Finance and Economy, Mr Tashkent Atasayan, visited Ankara earlier this week to ask for new financial help. Turkish assistance meets nearly half the budget expenses of the northern part of the island which runs a permanent deficit both on government spending and on trade. Aid last year totalled some TL 200m (€22m), and the Turkish Ziraat Bankasi, a state-owned agricultural bank, lent Turkish Cypriots TL 8.5bn.

Mr Atasayan asked this week

for a further loan of TL 18bn but was told he would have to be content with TL 10.5bn. This is offered on concessionary terms of 24 per cent interest (about half the usual minimum rate) over five years. The Ziraat Bankasi has outstanding loans of TL 30bn to the Turkish Cypriots.

Officials here are playing down the idea of any rift with Turkish Cypriots. The Government believes, however, that Northern Cyprus can be economically self-supporting, given better management of its resources. Tourist facilities taken over from the Greeks in 1974 have been allowed to deteriorate seriously.

Reuters adds from Athens: Greece yesterday said Soviet proposals for solving the Cyprus problem, removing all

foreign troops from the island and keeping it non-aligned, were constructive. It left open, however, the question of Turkey's inclusion among the guarantors of any settlement.

Moscow's proposals suggest an international conference on Cyprus, a unitary state acceptable to all Cypriots, the withdrawal of foreign troops, and the naming of Greece, Turkey, UN Security Council members and some non-aligned states as guarantors.

In Nicosia, however, Turkish Cypriot leader Rauf Denktaş said superpower involvement in the future of the island was not in its interest. His administration would study the proposals. A Turkish Foreign Ministry statement said only that the proposals were received yesterday, and that Turkey supports a peaceful settlement.

Polish space scientists sentenced

THREE POLISH space scientists who broke into state television broadcasts twice last year with appeals to voters to boycott suspended 18-month jail sentences yesterday. Reuter reports from Warsaw.

Electronic technician Piotr Lukaszewski, whose apartment was used to make the transmissions in his absence, was given a one-year suspended sentence and fined Zl 20,000 (€4) by a court at Torun in northern Poland.

The three scientists, Professor Jan Hanasz, Dr Zygmunt Turlo and Dr Leszek Zaleski, were also fined Zl 30,000 each. Professor Hanasz is Poland's leading space researcher and heads the astrophysics laboratory at the Copernicus Astronomy Centre in Torun where Dr Turlo is his deputy. The men are believed to be responsible for vital work connected with Poland's contribution to the Soviet space programme.

FINANCIAL TIMES

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CONSOLIDATED ASSETS AT 31 DECEMBER 1984 EXCEED US\$61 BILLION.

EUROPEAN NEWS

Diana Smith in Lisbon assesses the candidates trying to succeed President Eanes

Portuguese prepare to put the military years behind them

FOR THE FIRST time since the 1820s only civilian candidates will compete for votes in Portugal's Presidential election on Sunday.

This departure from 60 years of military heads of state is in line with Portugal's gradual progress towards fully-fledged parliamentary democracy, but only after the election will it be clear whether that progress will be smooth or bumpy for the next five years.

Lingering discrepancies in the interpretation of democracy remain, with most candidates perceiving the Presidency as only one of many sovereign bodies, with strictly limited powers. One candidate with strong provincial support believes however that the office is a cross between a privileged think tank and a licensing bureau, without whose permission other parts of the body politic cannot function.

The five contenders for office are as varied in personality as in approach. One candidate, the Communist Mr Angelo Veloso, does not even want to be president. He is on the slate to try to stop pro-Communist voters, about 15 per cent of the electorate of 10m, from backing any of the three candidates who dislike Communist tactics.

The three have formally complained to the authorities about Mr Veloso's use of TV and radio time to promote another candidate, but he continues to appear on television campaigning for "the candidate who represents democratic consensus."

That candidate is Mr Francisco Salgado Zenha, a 61-year-old socialist lawyer who took part in several provisional governments after the 1974 revolution. Mr Zenha has allowed himself to be recruited by the present President Gen Ramalho Eanes, whose search for a handpicked successor to the office he has held for nine years has drawn harsh criticism from all sides.

Mr Zenha's willingness to be used as an Eanes surrogate has angered Socialists and his appeal to the moderate vote appears to have been hurt by the association with the Communists.

has not rejected their support. His cool, somewhat sardonic personality cannot be concealed by marketing methods and his reception has been lukewarm.

Mr Zenha has done consistently badly in the polls and this may act as warning to Gen Eanes that the public as a whole, though it respected him for his serious-minded approach to his office, is not keen to rubber-stamp his dynastic approach to politics.

One of the reasons for Mr Zenha's lack of success appears to be the masses' preference for a women candidate, Mrs Maria de Lourdes Pintasilgo, a 58-year-old left wing catholic chemical engineer.

Formerly on the right — she was Portugal's Unesco representative during the Salazar regime, and a member of a corporate chamber modelled on Mussolini's Italy — after 1974 she claimed to profess Marxism.

In 1979, Mrs Pintasilgo was briefly prime minister, appointed by General Eanes, the outgoing President, to whom she was an advisor. Her Third World-style anti-party populism shocked the Centre parties, which hastily formed an alliance and won all elections for the next four years, thus reassuring Western opinion.

Most people thought Ms Pintasilgo had faded from politics, forgetting that for four years she has been doggedly building up a constituency among the disenfranchised, the needy and the devout, who heed her religious if not her left-wing views. Opinion polls have given her between 15 and 27 per cent of the vote.

No party will back her, which suits her crusading vision of a brave new Portugal where development is planned by those who intellectually grasp such matters and where politicians must sign a pact with the President and accept dismissal if they fail to follow her directives.

Party members and supporters are praying the polls are wrong and that the enthusiastic crowds Ms Pintasilgo has attracted in her campaign are not matched in votes.

As for the fully-fledged candidates: well to the Right of centre is Mr Diogo Freitas do



PRESIDENTIAL HOPEFULS: (left to right) Mr Francisco Salgado Zenha; Pro Diogo Freitas do Amaral; Ms Maria de Lourdes Pintasilgo; and Mr Mario Soares

MACAO AWAITS ITS FATE

PORTUGAL'S PRESIDENTIAL candidates have probably paid scant attention to the interests of the tiny and remote community of voters in Macao on China's southern coast near Hong Kong — yet the fate of this 400,000-strong community hinges particularly heavily on the outcome of the election, writes David Dodwell in Hong Kong.

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more than 4,000 are expected to do so. Hardly a number that will influence the outcome, yet the result will have major consequences for them all.

The Governor, Rear-Admiral Vasco de Almeida e Costa, resigned at the beginning of January and left for Portugal to campaign for Mr Francisco Salgado Zenha.

The admiral has been in conflict with local political groups since he took office more than four years ago, and has been responsible for a much-resented policy of "importing" civil servants from Portugal.

In contrast, two presidential front-runners, Prof Diogo Freitas do Amaral and Mr Mario Soares, have suggested informally that they will put more power back into the hands of local people.

confident of Portugal's future as a Western democracy striving for economic progress and political stability. He believes stability cannot be achieved unless the system of proportional representation which makes it hard for a party to win an absolute majority is changed.

He wants something closer to Britain's first-past-the-post system. He is backed by most of the ruling Social Democrats. This enhances his chances of getting through to the run-off and even winning if moderate voters

rally behind him.

Some Social Democrats who rejected their party's choice of conservative candidate are instead supporting the genial, internationally-respected Mr Mario Soares, who has long aimed at the Presidency as the peak of a lifetime spent fighting for democracy in Portugal.

A Prime Minister three times in the last decade, Mr Soares wants to be president of a country truly committed to its new European status, to its Nato allies, to peace and to political stability.

Now in his early 50s he has dropped the militant rhetoric of the 1960s and 70s and has an elder statesman's moderation. He has little urge to be a crusading President, and many voters see him as a sort of glue keeping an unresolved status quo intact rather than spurring governments to make sorely needed liberalising economic reforms.

Last year Mr Soares was at the bottom of most polls. But he has been prematurely written off more than once in the past, and has struggled back into favour in many parts of the country, helped by the controversial aspects of the other two Left wing candidates.

To many moderates Mr Soares is the lesser of three evils; this could propel him into the February 16 run-off against Prof Freitas do Amaral. But it is not clear who would then win, the man of the Right with a clear natural consistency or the man of the Centre-Left who must catch votes to his Left and Right if he is to make it to the shell-pink Presidential palace on the outskirts of Lisbon.

OVERSEAS NEWS

Mubarak's patience under pressure

BY TONY WALKER IN CAIRO



President Mubarak: the Opposition wants a state of anarchy and chaos

EGYPT'S President Hosni Mubarak has warned opposition groups to behave in a more responsible manner or risk the consequences.

In a long and revealing interview with the weekly news magazine Al-Mussawar, Mr Mubarak threatened greater restrictions on democratic freedoms, saying "Patience has a limit. They (the opposition) want a state of anarchy and chaos."

Mr Mubarak's anger was aroused by opposition attempts to use the apparent suicide of a policeman convicted of killing seven Israeli tourists in a wild shooting spree in the Sinai last year as a pretext for anti-government agitation.

Opposition groups had embraced the young policeman, whose victims included four children, as a martyr to the cause of confronting Israel, even going so far as to suggest that his suicide in a Cairo hospital was the work of Mossad, the Israeli secret service.

He accused the opposition, which includes an increasingly active though disparate grouping of leftists, Moslem fundamentalists and those raising the banner of former President Gamal Abdel Nasser, of attempts to "incite hatred and provoke the masses."

The Egyptian leader's warning about internal unrest no doubt reflects concern at the highest levels of the Government about deteriorating economic conditions that are threatening hard-won social gains. This is almost certainly Mr Mubarak's most testing phase since he assumed office in 1981 following the assassination of President Anwar Sadat.

In the years 1981 to 1984, Mr Mubarak earned respect for his attempts to revive Egypt's democratic institutions. Shackles were removed from the press, which is now among the more robust in the Arab world and opposition parties were revived. There was also an attempt to hold relatively free elections that ended up being less free than they might have been because of interference by some of the President's overzealous subordinates.

More overt signs these days of opposition in the press and on the streets, following last

But several weeks later a policy speech to the parliament by Dr Ali Lotfi, the Prime Minister, which was expected to flesh out some of the principles outlined by Mr Mubarak, proved a disappointment. In the view of some observers Dr Lotfi wasted an opportunity to prepare the ground for unpalatable economic measures the Government is under pressure to introduce.

Dr Lotfi's public statement did not reflect his private view — which he puts vigorously — on the urgent need for reform. The crucial debate within the administration over economic rationalisation coincides with a continuing worsening of the external business environment. The disarray in world oil markets and the consequent price slump is something Egypt could well do without at this difficult stage.

Earlier this month, Egypt reduced by about \$1 to \$25.70 the price of its Suez blend oil which accounts for about 90 per cent of exports. At this price, which is several dollars above the spot market, Egypt will have difficulty selling its oil, according to industry sources.

In any case, prospects are for a squeeze on oil revenues which have been running at about \$2bn annually.

At the same time, tourism to Egypt has been hit by recent Middle East violence. Cancellations for the busy Christmas period exceeded 50 per cent in some cases. Loss of revenue in the holiday season could be as high as \$200m.

By almost any standards, it has been a wretched six months for Mr Mubarak and his Administration. Apart from an economic crisis, the Government has had to cope with the Achille Lauro affair and the tragic finale to the Malta hijacking.

The deaths of 57 people in the storming by Egyptian commandos of the hijacked Egyptian Boeing in Malta reflected negatively on the Administration even though people appear to have accepted the argument that military action was necessary.

Mr Mubarak's own performance has tended to disappoint, although criticism is tinged with regret because he continues to enjoy a cushion of good will.

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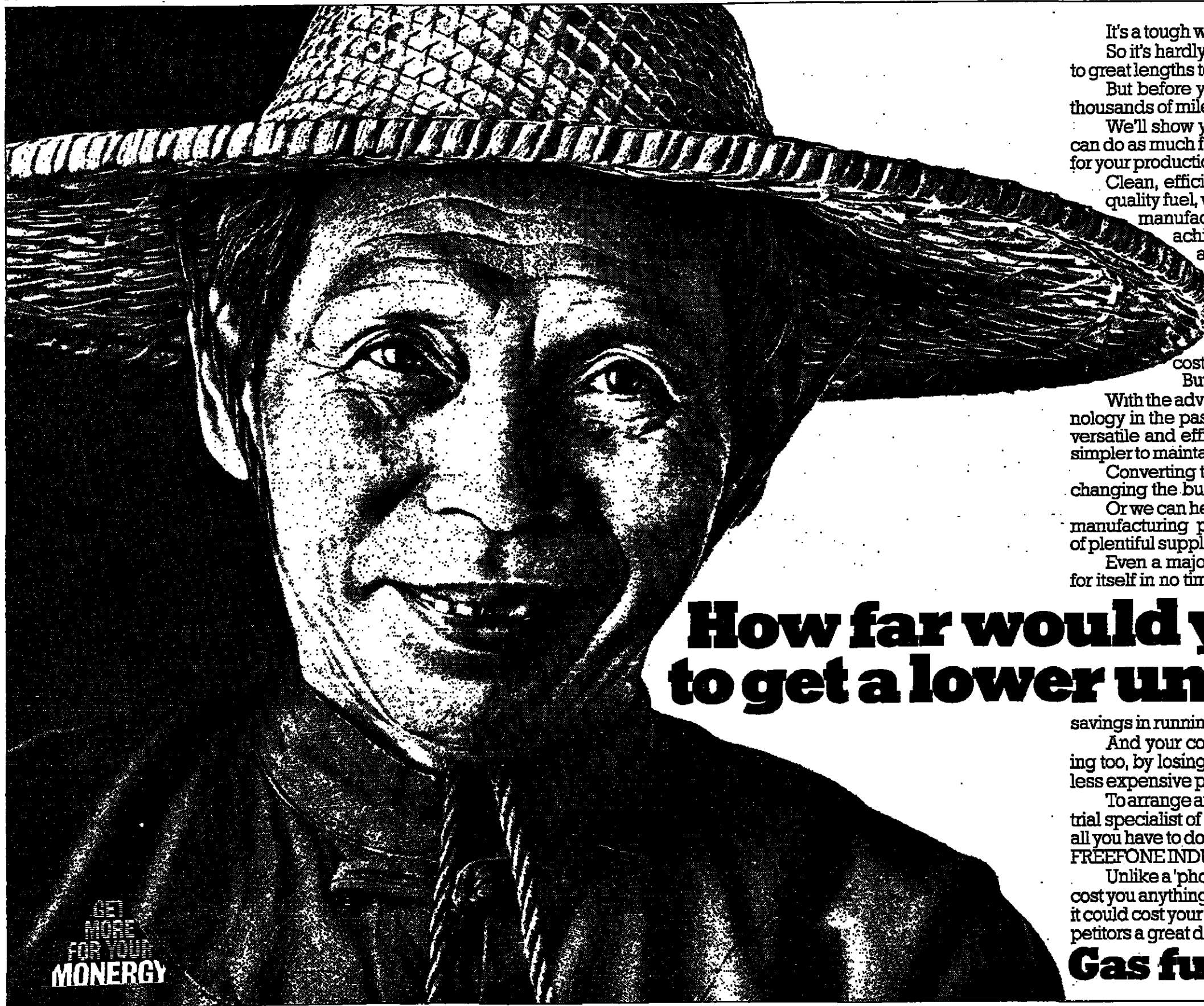
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OVERSEAS NEWS

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

Table with 7 columns: Year, Ind. prod., Mfg. output, Eng. order, Retail vol., Retail value, Unemp. employed, Vac. Data for 1984-1985.

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacturing, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

Table with 7 columns: Year, Consumer goods, Invest. goods, Intmd. goods, Eng. output, Metal mfg., Textile Housg. etc. starts Data for 1984-1985.

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

Table with 7 columns: Year, Export volume, Import volume, Visible balance, Current balance, Oil trade, Res. trade US\$bn Data for 1984-1985.

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HF, net credit; all seasonally adjusted. Clearing Bank base rate (end period).

Table with 7 columns: Year, M0, M1, M3, Bank advances, BS lending, HF, Base rate Data for 1984-1985.

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted index of sterling (1975=100).

Table with 7 columns: Year, Earnings, Basic matls., Wholesale, RPI, Foods, FT comdty, Strig. Data for 1984-1985.

NOTICE OF REDEMPTION To Holders of

U.S. \$100,000,000 GMAC Overseas Finance Corporation, N.V. 12 1/2% Notes due February 1, 1988

Notice is hereby given that pursuant to paragraph 8 of the Notes and Section 4 of the Fiscal and Paying Agency Agreement dated as of February 1, 1981, between GMAC Overseas Finance Corporation, N.V. (the Company) and Chemical Bank, Fiscal and Paying Agent, the Company hereby gives notice of its election to redeem all of its 12 1/2% Notes due February 1, 1988. The date fixed for redemption shall be February 24, 1986 and the Notes will be redeemed at the price of 101.5% of the principal amount thereof together with accrued interest to the date fixed for redemption. After February 24, 1986 the Notes will cease to accrue interest. The Notes will be redeemed upon presentation and surrender together with all appurtenant coupons, if any, maturing on and after the date fixed for redemption at the principal office of the fiscal agent, Chemical Bank, 55 Water Street, Corporate Trust Department in New York City or at the principal office of Chemical Bank, London, Paris, Frankfurt am Main, Zurich and the principal offices of Banque Generale du Luxembourg S.A., in Luxembourg and Banque Bruxelles Lambert S.A. in Brussels, Belgium.

Chemical Bank, Fiscal and Paying Agent on behalf of GMAC Overseas Finance Corporation, N.V.

Dated: January 23, 1986

NOTICE OF REDEMPTION To the Holders of

U.S. \$50,000,000 BANK OF IRELAND Floating Rate Capital Notes due 1989

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Condition 6(c) of the above-described Notes and Section 5(A) of the Paying Agency Agreement dated as of November 19, 1979 between The Governor and Company of the Bank of Ireland, The Law Debenture Corporation p.l.c. and Morgan Guaranty Trust Company of New York, Principal Paying Agent, the Bank of Ireland intends to redeem on February 28, 1986 all of the Floating Rate Capital Notes due 1989 at a redemption price of 100% of the principal amount thereof. Payment will be made in U.S. dollars on and after February 28, 1986 upon presentation and surrender of the above Notes with coupons due May, 1986 and subsequent coupons attached, subject to applicable laws and regulations, either (a) at the office of the Principal Paying Agent in New York City, or (b) at the main office of Morgan Guaranty Trust Company in Brussels, Frankfurt-am-Main, London, Paris and Zurich or Kredietbank S.A., Luxembourg in Luxembourg. Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payee not recognized as exempt recipient fails to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury that the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment. Notes surrendered for payment should have attached all unattached coupons appurtenant thereto. Coupons due February, 1986 should be detached and collected in the usual manner. From and after February 28, 1986 interest shall cease to accrue on the Notes.

BANK OF IRELAND

DATED: January 23, 1986

Three Sikhs sentenced to death for Gandhi murder

BY JOHN ELLIOTT IN NEW DELHI

THREE SIKHS were yesterday sentenced to death for the assassination 15 months ago of Mrs Indira Gandhi, Indian Prime Minister, after an eight-month trial in New Delhi's top security jail.

The sentences were passed at the same time as a massive security operation was launched in Delhi and the northern neighbouring states of Punjab and Haryana to stop widespread violence and terrorist attacks breaking out in the next few days.

The Government fears the outbreaks will be caused by a series of events all connected with the troubles in the Punjab which are still causing widespread disorder three months after the state assembly elections.

The events include the sentencing of the assassins and plans by Sikh students to pull down and rebuild one of their most holy buildings in the Amritsar Golden Temple complex which was damaged in an army attack 21 months ago.

There is also widespread opposition in Haryana, with big protests starting today against plans to make the city of Chandigarh a state capital for Punjab as part of the govern-

ment peace deal with Sikh leaders reached before the elections. Chandigarh has been joint capital for both states.

A commission appointed by the Government to recommend how the border should be re-drawn between Haryana and Punjab is expected to publish its report today.

There is also a risk of violence on Republic Day next Sunday by militant Sikhs, as well as by Hindus in Haryana objecting to the Chandigarh and state border changes.

In addition, three Sikhs who hijacked two Indian airlines aircraft in 1981 and 1982 and took

them to the Pakistan city of Lahore were earlier this week sentenced to death by a Pakistani court.

North India has been put on a general security alert with tight restrictions at airports and other places vulnerable to attack. Over 600 people have been arrested in Haryana and Punjab in the past two days in an attempt to avert trouble and Delhi police on Tuesday foiled a plan by extremists to disrupt Sunday's Republic Day parade in New Delhi with grenade attacks on leading figures.

Trains in Haryana are being provided with armed escorts

and 10,000 police and security forces have been deployed in the state.

In the Tihar Jail courtroom yesterday, the judge delivered his 360-page judgment protected by a bullet-proof screen. The 15 Indian journalists allowed into the courtroom were not permitted to carry their own pens; they were provided with pencils to take notes.

The accused have been protected by a bullet-proof screen throughout the trial. Lawyers are to appeal against the death sentences.

● Mrs Gandhi (right)



UK and Australia at odds over N-test clean-up

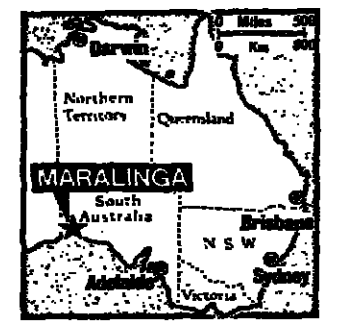
BY ALAIN CASS

BRITAIN and Australia emerged at odds yesterday over who is responsible for cleaning up the radioactive waste from British nuclear tests conducted in Australia in the 1950s.

Ministerial talks between the two governments ended in London with both sides trying hard to avoid a clash. But while Australia maintains that Britain has a legal and moral responsibility for cleaning up the radioactive waste at Maralinga in South Australia, the UK disputes this and even questions the need for a major clean-up operation.

The two governments, however, agreed to set up two groups to assess the nature and extent of the radioactive damage to Maralinga and the likely cost of a clean-up operation. Some estimates have put the cost as high as £100m.

The agreement was reached yesterday after talks between Sen Gareth Evans, the Australian Minister for Resources and Energy, and Mr Norman Lamont, British Minister of State for Defence Procurement. Sen Evans also had talks with Sir Geoffrey Howe, the Foreign Secretary, and Lady Young, the Minister of State at the Foreign Office.



The issue of who is responsible for the contamination of Maralinga is a sensitive political one in Australia where Mr Bob Hawke's Labor Government is under strong pressure from the country's growing anti-nuclear lobby.

The talks between Britain and Australia follow the recommendations of the Australian Royal Commission into the British nuclear tests published late last year which slammed both governments. The Australian Government will establish a technical assessment group to include radioactivity experts from Australia, the US and Britain. In addition a consultative group will be formed to discuss the rehabilitation of the former nuclear test sites. Both Britain and members of Australia's Aboriginal community will be represented on this group.

Thailand switches burden of tax

BY KATHLEEN EVANS IN BANGKOK

The Thai Cabinet has approved a tax package that will reduce both corporate and personal income taxes but increase tax on interest earned from fixed bank deposits, writes Boonsong K'hana from Bangkok. The measures, which take effect immediately, are aimed at increasing economic activity while cutting the national budget deficit by more than 2bn baht (about £53m).

Corporate tax for companies not listed on the Stock Exchange is cut to 35 per cent from 40 per cent, while for listed companies remains unchanged at 30 per cent. The measures also include:

- cutting personal income tax by widening assessable income bases and reducing the maximum rate to 55 per cent from 65 per cent;
● raising tax on interest earned from fixed deposits to 15 per cent from 12.5 per cent;
● increasing import tariff for diesel engines and cars as well as registration taxes on diesel and LPG-powered vehicles;
● doubling tax on the sale of inherited immovable property to 20 per cent.

FOREIGNERS STRANDED ON BEACH Rescue ships offshore as Aden battle rages

BY KATHLEEN EVANS IN DJIBOUTI

"JUST LOOK at those Russians, they put fire in Aden and then they fly away," said the Djiboutian businessman coming into the airport.

Across the departure lounge, fresh from war-torn South Yemen, long queues of pasty faced women—some in headscarves and others sporting American baseball caps—were being quickly hustled with their children to two massive Ilyushin aircraft parked on the runway.

"They've been coming for days now, hundreds at a time. When will it all end?" the Djiboutian asked about the evacuation of expatriates.

Back in Aden, the capital of South Yemen, some 900 foreigners stranded on a beach must be asking themselves the same question. Offshore lie three British naval vessels and several French ships, all standing helplessly until a lull in the fighting allows them to approach. The savage conflict for control of the People's Democratic Republic of Yemen (PDRY), as the Marxist state has called itself since 1970, is clearly still far from over. In the capital itself, however, elements owing allegiance to Mr Ali Fadhil al-Muhsin, the doctrinaire Marxist leader, seem to be on top of those loyal to President Ali Nasser Muhammad.

World Bank lends more to Malaysia

BY ANTHONY ROBINSON IN JOHANNESBURG

THE World Bank will lend Malaysia \$200m this year compared to \$100m last year, Wong Sulong reports from Kuala Lumpur. Mr Karamanoglu, the bank's vice-president for East Asia and the Pacific, said that the bank had lent Malaysia \$1.8bn since 1959, mostly for infrastructure, agriculture and anti-poverty programmes.

He is on a week's visit to discuss Malaysia's financial needs in relation to its proposed Five Year Plan for 1986-90.

China's arms factories will have converted two-thirds of their output to civilian goods within five years, according to a switch plan announced by the Ministry of Defence. China is streamlining its military in order to concentrate more on modernising the domestic economy, including trimming 1m personnel from the 4m-strong armed forces.

Civilian output by ordnance factories was worth about \$225m last year, the Government has said.

Police die in S. Africa mine fight

BY ANTHONY ROBINSON IN JOHANNESBURG

HEAVY ARMY and police reinforcements patrolled the area around the Westonia gold mine west of Johannesburg yesterday after a violent clash between mineworkers holding an illegal meeting and police late on Tuesday. According to the police, 20 policemen were overpowered and shot by the miners although union sources report that two other policemen were also either badly injured or killed.

A spokesman for the Western Areas Gold Mining Company, a subsidiary of Johannesburg Consolidated Investments (JCI) said yesterday that a total of eight miners were killed in the subsequent fighting with police reinforcements and 31 were injured. Union sources say that more than 40 miners were injured.

Anti-apartheid activist Mrs Winnie Mandela was not required to plead yesterday when she appeared in Krugersdorp regional magistrate's court west of Johannesburg in connection with her arrest on December 30 for entering the Johannesburg magisterial district from which she had been banned. Her case will now be heard on February 19.

The latest incident of violence in the gold mines follows factional fighting between miners of different tribal backgrounds at the Kloof mine owned by Gold Fields of South Africa on Friday when at least seven miners died and 45 were injured.

A white farmer, Mr Victor Argyle, was murdered by dissidents yesterday in the Matibeleland province capital of Bulawayo, police said yesterday. Renter reports from Harare.

Lebanese pound plummets

BY ANTHONY ROBINSON IN JOHANNESBURG

THE LEBANESE pound plummeted to an all-time low against the US dollar yesterday as the central bank restrained itself from intervening with big sums to prop up the value of the local currency in fear that a prolonged crisis may deplete its dollar reserves, Nora Boustany reports from Beirut.

The pound opened at 29.50 to the dollar but slid to 27.50-28.00 in hectic trading. Mounting anxiety over the regime of President Amin Gemayel and apprehensions that a Syrian backlash to the protracted peace accord would plunge Lebanon into deeper crisis affected confidence in the currency.

A central bank official said the Banque du Liban had to step in and spend \$60m to stop the Lebanese pound from slipping further. Yesterday, Mr Rashid Karami, the Prime Minister, asked the central committee of the bank not to intervene excessively since the political crisis may drag on.

Mr Youssef Karami, a member of the central bank committee, said the Prime Minister had cautioned against sharp fluctuations that would further add to the panic. Co-operative support to the pound would keep it from falling drastically but a general downward trend was inevitable.

Sharon libel suit settled

BY OUR FOREIGN STAFF

THE SECOND and final round of a libel suit taken by Mr Ariel Sharon, the former Israeli Defence Minister, against Time Magazine ended yesterday with an out of court settlement, David Lennon writes from Tel Aviv.

The first round, which was fought out in a blaze of publicity in a New York court, ended early in 1985 with the

jury ruling that the news magazine had defamed but not libelled the controversial Israeli Minister in its description of his role in the massacres at the Sabra and Chatilla Palestinian refugee camps in Beirut in 1982.

The second suit, brought in an Israeli court against Times European edition, again proved defamatory but the judge did not rule on libel.

Development bank for Hong Kong rejected

BY OUR FOREIGN STAFF

Sir John Bremridge, Hong Kong's Financial Secretary, yesterday dismissed a suggestion that Hong Kong establish an industrial development bank AP-DJ reports from the British colony. Responding to a question in the Legislative Council, Sir John said that he saw no good reason to support involvement in a new form of venture banking which would require the Government to compete with the private sector. Commercial bank loans had always proved sufficient, he said.

Thousands of Ugandan soldiers are said to have been trained in camps in Zaire. Meanwhile, residents in Kampala described the atmosphere in the city as extremely nervous and said there were widespread fears that the NRA was planning a military assault on the capital.

The Government and the NRA signed a peace agreement in Nairobi on December 17 but it has had little effect. Each side blames the other for breaking the accord. The NRA has indicated it would mount a military assault on Kampala if the Government did not bring its undisciplined troops under control.

Thousands flee Ugandan capital

BY OUR FOREIGN STAFF

THOUSANDS OF people fled Kampala yesterday after reports that guerrillas of Uganda's National Resistance Army were near the city boundaries. Shops and offices closed and eyewitnesses said government troops had mounted heavy guns about a mile from the city centre. Clashes were reported at Ntete, six miles away, where residents said helicopter gunships were strafing the guerrillas.

The latest bout of fighting around the capital comes two days after the NRA reported that Zaire government troops, along with soldiers loyal to former Ugandan dictator Idi Amin, had crossed into western Uganda in a move

China's arms factories will have converted two-thirds of their output to civilian goods within five years

BY OUR FOREIGN STAFF

China is streamlining its military in order to concentrate more on modernising the domestic economy, including trimming 1m personnel from the 4m-strong armed forces. Civilian output by ordnance factories was worth about \$225m last year, the Government has said.

Development bank for Hong Kong rejected

BY OUR FOREIGN STAFF

Sir John Bremridge, Hong Kong's Financial Secretary, yesterday dismissed a suggestion that Hong Kong establish an industrial development bank AP-DJ reports from the British colony. Responding to a question in the Legislative Council, Sir John said that he saw no good reason to support involvement in a new form of venture banking which would require the Government to compete with the private sector. Commercial bank loans had always proved sufficient, he said.

Thousands flee Ugandan capital

BY OUR FOREIGN STAFF

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Sharon libel suit settled

BY OUR FOREIGN STAFF

THE SECOND and final round of a libel suit taken by Mr Ariel Sharon, the former Israeli Defence Minister, against Time Magazine ended yesterday with an out of court settlement, David Lennon writes from Tel Aviv.

Lebanese pound plummets

BY ANTHONY ROBINSON IN JOHANNESBURG

THE LEBANESE pound plummeted to an all-time low against the US dollar yesterday as the central bank restrained itself from intervening with big sums to prop up the value of the local currency in fear that a prolonged crisis may deplete its dollar reserves, Nora Boustany reports from Beirut.

World Bank lends more to Malaysia

BY ANTHONY ROBINSON IN JOHANNESBURG

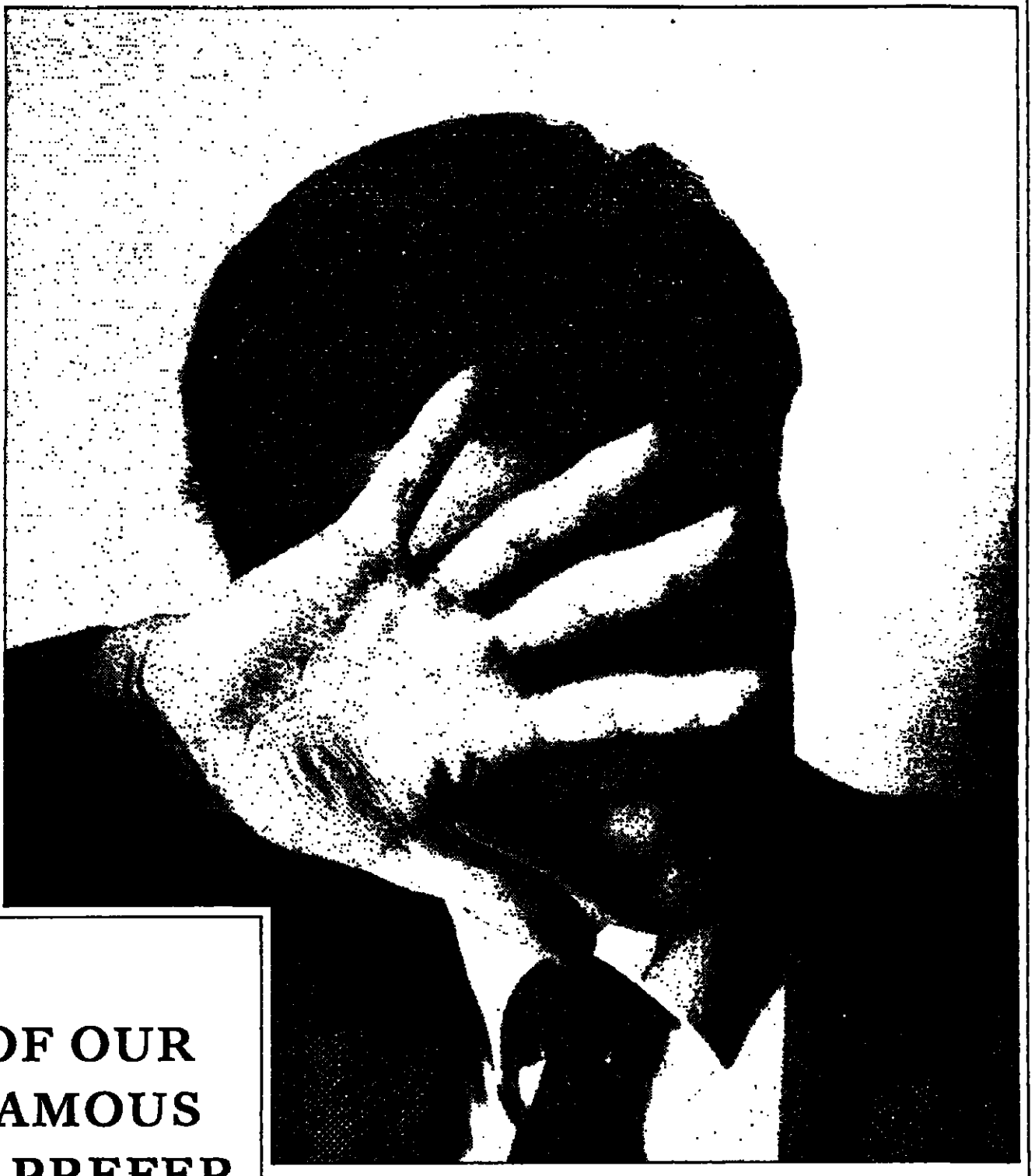
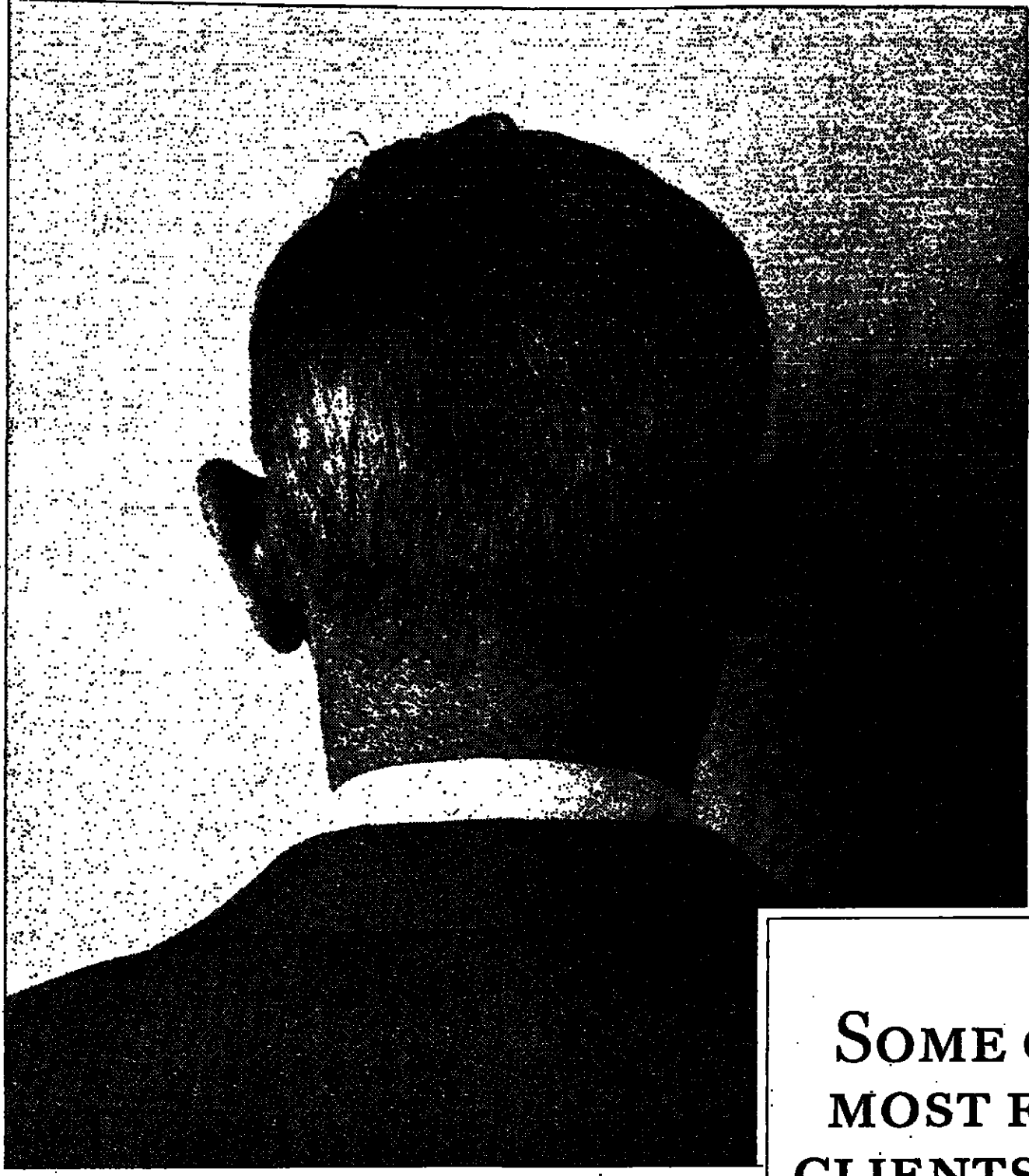
THE World Bank will lend Malaysia \$200m this year compared to \$100m last year, Wong Sulong reports from Kuala Lumpur. Mr Karamanoglu, the bank's vice-president for East Asia and the Pacific, said that the bank had lent Malaysia \$1.8bn since 1959, mostly for infrastructure, agriculture and anti-poverty programmes.

Thailand switches burden of tax

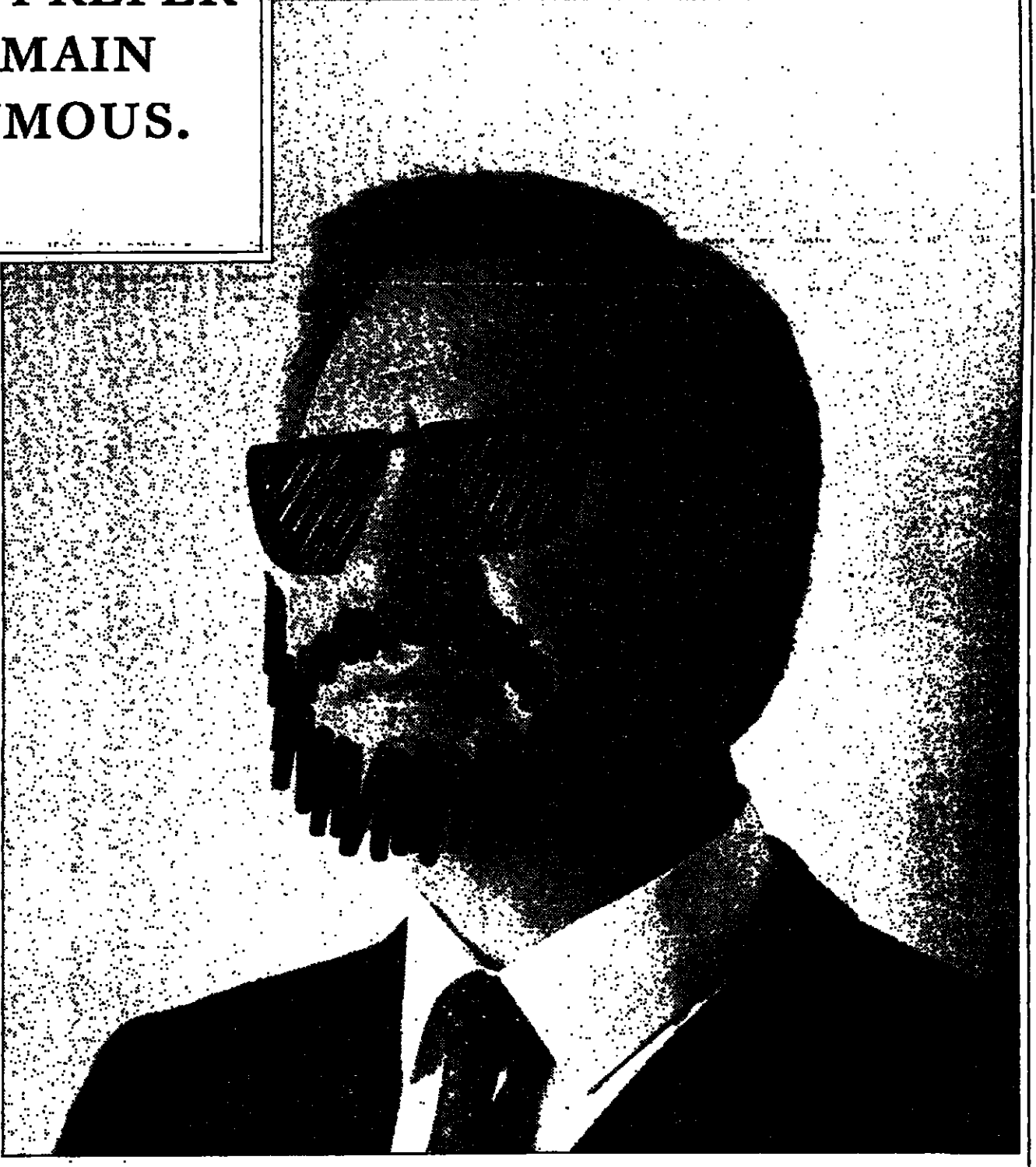
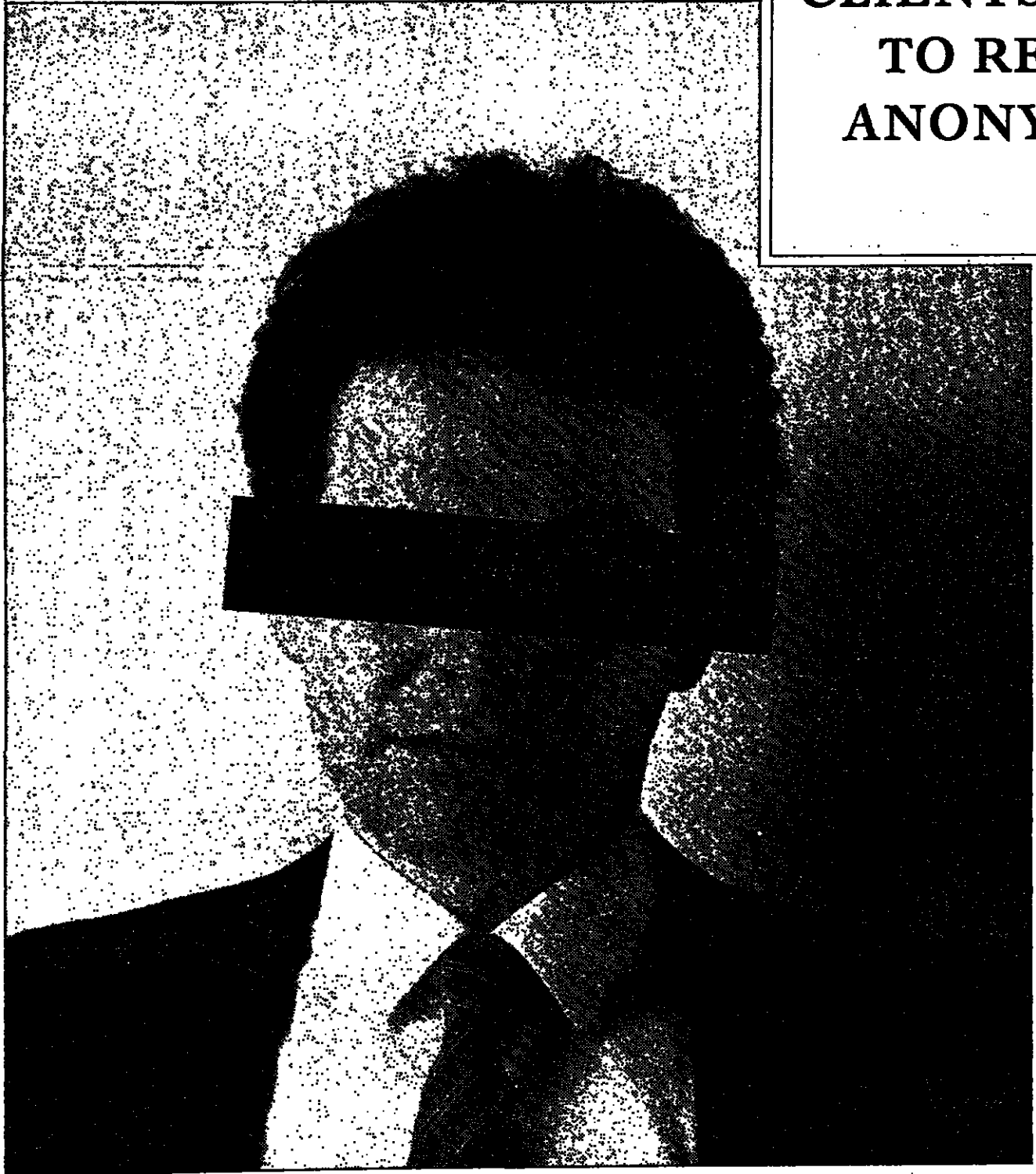
BY KATHLEEN EVANS IN BANGKOK

The Thai Cabinet has approved a tax package that will reduce both corporate and personal income taxes but increase tax on interest earned from fixed bank deposits, writes Boonsong K'hana from Bangkok.

Art Collecting, GENEVA FULL SERVICE IS OUR BUSINESS, Clubs, THE BOARD OF MANAGEMENT



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*Times Top 500, November 1985.



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WORLD TRADE NEWS

RESTRICTIONS ON REPATRIATION LIKELY TO BE SOFTENED

China to ease joint venture curbs

BY ROBERT THOMSON IN PEKING
CHINA is on the verge of easing restrictions on repatriation of joint venture profits by foreign companies. The aim is to attract further foreign investment, according to Chinese Press reports.

Control over foreign exchange was tightened last year as the country's reserves fell. This led to a more selective approach to contract signings and even tougher demands on joint ventures. The Government now claims to have the reserves under control.

The new regulations will allow higher quotas of domestic sales for foreign investors, if the investor introduces technology to "sophisticated" and "inter-

nationally competitive" products. If the project involves a product that has been approved by central authorities as being designed for import substitution, domestic sales for foreign currency will be permitted to enable ventures to balance foreign currency accounts.

Fuel deal signed with Japan

JAPAN and China have signed an oil and coal agreement which will be in effect until 1990, AP-DJ reports from Tokyo.

Martini agrees Peking link-up

BY ALAN FRIEDMAN IN MILAN
MARTINI and Rossi, the Italian wine and spirits group, has reached agreement in principle with China to launch a 50-50 joint venture designed to produce 500,000 bottles of wine a year.

The state vineyards of Changli, near Peking, will join with Martini to invest \$5m (£3.49m) to develop a new company for the purpose. The business is to be based on the River Bohai, at Changli, where a

Chinese wine company already exists. Martini will provide know-how, technical assistance and presumably its vermouth formula. The project calls for eventual annual production of 500,000 bottles, starting next year. The existing company produces 200,000 bottles a year. Martini said the venture would sell its products both in China and for export. The final agreement is expected to be signed in the next few weeks.

Indonesia to buy eight advanced F16 fighters

BY KIERAN COOKE IN JAKARTA
INDONESIA is to buy eight of the advanced version of the General Dynamics' F16 fighter aircraft. The Indonesian military says four will be used as trainers and four as combat aircraft.

Japanese dumping large-scale chips in US says ITC

BY NANCY DUNNE IN WASHINGTON
THE REAGAN Administration's drive to assist the US semiconductor industry in fighting off Japanese competition took another step forward yesterday with the unanimous finding by the International Trade Commission (ITC) of injury through the dumping of 256k Ram chips.

trade officials have "come up with nothing", Mr Helms said. "In the past the Japanese have won by waiting and dragging their feet. We know we can't afford to wait," he said. The Japanese are now faced with five actions on computer chips. Micron Technology of Idaho filed an anti-dumping suit against Japanese producers last June claiming that 64k chips have been sold below the cost of production.

Bulgaria to assemble Soviet car kits

BY LESLIE COLLIER IN BUDAPEST
BULGARIA is to begin assembling a new model of French-designed Soviet car next year. It is the only East European country to conclude such an agreement with the Soviet Union.

NOTICE OF REDEMPTION To the Holders of General Mills, Inc.

U.S. \$100,000,000 12% Notes, Series A, due December 19, 1991
NOTICE IS HEREBY GIVEN to the holders of the outstanding 12% Notes, Series A, due December 19, 1991 (the "Notes") of General Mills, Inc. (the "Company") that, pursuant to the provisions of Section 7(a) of the Series A Fiscal and Paying Agency Agreement dated as of December 19, 1984 between the Company and Morgan Guaranty Trust Company of New York (the "Fiscal Agent") and Paragraph 4(a) of the Terms and Conditions of the Notes, the Company has elected to redeem on February 5, 1986 U.S. \$15,700,000 principal amount of the Notes (the "Redemption Notes") at a redemption price equal to 101% of the principal amount thereof, together with accrued interest to said date, in the amount of U.S. \$76.67 for each U.S. \$5,000 principal amount and U.S. \$153.33 for each U.S. \$10,000 principal amount as follows:

Table with columns for Outstanding Notes of \$5,000 Each Bearing the Following Distinctive Numbers. Lists serial numbers from 1 350 to 348 658.

Table with columns for Outstanding Notes of \$10,000 Each Bearing the Following Distinctive Numbers. Lists serial numbers from 5 359 to 348 658.

Payment will be made, subject to applicable laws and regulations, in U.S. dollars on and after February 5, 1986 upon presentation and surrender of the Redemption Notes with coupons due December 19, 1986 and subsequent coupons attached, failing which, the amount of missing unmatured interest coupons will be deducted from the sum due for payment and paid in the manner set forth in the Terms and Conditions of the Notes against surrender of the related missing interest coupons within the period of time prescribed by the applicable statute of limitations, at the main offices of the Fiscal Agent in London, Brussels, Frankfurt am Main, Paris and Tokyo, the main office of Amsterdam-Rotterdam Bank N.V. in Amsterdam, the main office of Swiss Bank Corporation in Basle and the main office of Kredietbank S.A. Luxembourg, in Luxembourg. Payments at said offices will be made by a United States dollar check drawn on a bank located in The City of New York, or by transfer to a dollar account maintained by the payee with a bank in London. No payment on any Redeemable Note will be made at the Corporate Trust Office of the Fiscal Agent or any other Paying Agency maintained by the Company in the United States except as otherwise permitted by U.S. Treasury Regulations without adverse tax consequences, will any payment be made by transfer to an account maintained by the payee in, or by mail to an address in, the United States.

From and after February 5, 1986, the Redemption Notes will no longer be outstanding and interest thereon shall cease to accrue. U.S. \$43,775,000 principal amount of Notes will remain outstanding after the redemption.

It is suggested that each holder consult his own tax advisor concerning his particular tax situation. Any payments made to an address in the United States, directly or by electronic transfer, may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding of 20% of the gross proceeds if payee is not a recognized exempt recipient. Full details are provided in an executed IRS Form W-8 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons.

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide to a Paying Agent listed above, and certify under penalties of perjury, a correct taxpayer identification number (employer identification number or social security number, as appropriate), or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50 imposed by the IRS. Please therefore provide the appropriate certification when presenting your securities for payment.

GENERAL MILLS, INC.

DATED: January 6, 1986

Kone issues jobs pledge

BY Olli Virtanen in Helsinki
KONE, the Finnish lift maker, said it would maintain full employment at the Valmet factory, if its bid for the state-owned engineering group's lift business is accepted.

Toshiba in pact to sell AT & T switching system

BY CARLA RAPOPORT IN TOKYO
TOSHIBA, one of Japan's leading electronics companies, and AT & T of the US have agreed a marketing deal under which Toshiba will sell a new AT & T switching system in Japan.

with its information and telecommunication equipment for customers' needs. Toshiba also announced yesterday that it had set up a marketing company in Middlesex to handle sales of office automation equipment throughout the UK. It had been distributing its copiers and calculators through Lion Office Equipment.

Komatsu deal

KOMATSU, of Japan, the world's second largest construction equipment producer, has won a \$240m (£167m) order from Traktorsport in the Soviet Union.

Delors proposal on trade watchdog 'was informal'

BY JUREK MARTIN IN TOKYO
THE European Community proposal to Japan that the two sides establish a joint committee to monitor Japanese purchases of European goods was only an informal suggestion by Mr Jacques Delors, the commission's president, it emerged last night.

clear hints delivered the day before that Mr Delors had suggested that the Community and Japan enter into negotiations along the lines of the product-oriented Maastricht, sector-selective talks recently concluded between Japan and the US. Mr Nakasone were described as genuinely substantive, but it did not appear that the same could be said of his meetings with other ministers and members of the private sector.

Turbofan plan

PRATT and Whitney Canada, a subsidiary of United Technologies of the US, is to develop a turbofan engine for medium-sized transcontinental business aircraft over the next five years at a cost of \$200m (£98m).

The company expects to have the engine certified and starting production by 1991.

New Issue January 1986 All of these securities having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D.C. U.S. \$ 300,000,000 9 3/4% Bonds of 1986/2016

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US growth in 1985 declines sharply to 2.3%

BY STEWART FLEMING IN WASHINGTON

GROWTH IN THE US economy limped along at a real annual rate of 2.4 per cent in the fourth quarter of 1985, dropping the rate of expansion for the year as a whole to an annual rate of 2.3 per cent, sharply down from the 6.6 per cent surge recorded in 1984.

Inflation in the final three months of the year accelerated significantly however with the Gross National Product (GNP) fixed weight price index rising 4.5 per cent at an annual rate compared with a 2.7 per cent increase in the third quarter. Rising food and energy prices accounted for much of the increase.

With oil prices under pressure and the farm economy weak, there are widespread expectations in the financial markets that inflation will remain subdued. But a growing band of economists are warning that the risks of an acceleration in the pace of inflation are increasing as the dollar declines and employment levels rise.

The Commerce Department's preliminary fourth quarter GNP represents significant downward revision from the so-called "dash" forecast for GNP which the Department issued last month and which projected a real rise of 3.2 per cent for the quarter.

It will be a disappointment to the White House which had been hoping for stronger signs that the economy was beginning to break out of the pattern of sluggish expansion which characterised 1985.

Behind the slowdown (third quarter GNP rose 3 per cent) was a slight decline in personal consumption expenditures after the third quarter surge. This was offset by significantly

stronger non-residential fixed investment, particularly in the data processing sector where IBM brought out a new line of computers, a moderate increase in inventory building and a slight easing of the drag on the domestic economy from the foreign trade sector.

Economists continue to be divided about the outlook for 1986. December's economic data, including quite strong growth in employment and a sharp rise in housing starts, coupled with the significant decline in interest rates since September, is leading many economists to anticipate that the first quarter of 1986 could see a somewhat faster pace of expansion than the final quarter of 1985.

The Reagan Administration, is projecting real growth for 1986 of 4 per cent, which is within the range which private economists are also projecting. Mr William Griggs, of the economic consulting firm of Griggs and Santow, for example, suggests that GNP could expand at between 2 per cent and 4 per cent this year.

He stresses, however, that the outlook is shrouded in uncertainties. Chief among these he argues is the Gramm-Rudman-Hollings budget reform Act.

Clear evidence that Congress and the White House are indeed moving towards achieving the federal budget deficit target of \$144bn set by the act would have a positive impact on the financial markets and the economy.

If, however, as many fear, the debate in Washington on the budget moves into deadlock, the outlook for interest rates, the dollar and the economy could deteriorate rapidly.

Reagan fires first rounds in battle over Contra aid

BY REGINALD DALE, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has fired the first shots in what is likely to be a fierce battle with Congress to renew US military aid to the anti-government Contras rebels in Nicaragua.

Mr Reagan is making it clear that he regards the issue as a measure of US global resolve, and a critical test case for the so-called Reagan doctrine of supporting "anti-communist freedom fighters" around the world. The same applies to a similar request that he is expected soon to make for aid to the Unita rebels fighting the Marxist government of Angola.

In a meeting with Senate Republican leaders this week, Mr Reagan argued that his hand in dealing with Mr Mikhail Gorbachev, the Soviet leader, would be weakened if Congress does not support him on Nicaragua and Angola. Chances of a success at the next US-Soviet summit, due to be held in Washington later this year, could be undermined, he suggested.

Mr Larry Speakes, the White

House spokesman, said that Moscow was watching to see how tough Congress would be in standing behind Mr Reagan on the "freedom fighters" and other military issues, such as funds for his star wars space defence programme.

The Administration has not yet put an official figure on its funding request for the Contras, although reports have indicated that it could range as high as \$100m (\$71m). At least \$60m of this would be for military assistance, with the remainder earmarked for food, clothing, medicine and other "non-lethal" supplies.

Congress cut off military aid to the Contras in 1984, after an increasingly vigorous outcry over covert US activities in Nicaragua. Last year, \$72m was approved for "humanitarian" assistance, but Mr Reagan has never given up hope of restoring military aid to the rebel forces that he has extravagantly compared to America's "founding fathers."

Moscow strengthens ties with Argentina

BY JIMMY BURNS IN BUENOS AIRES

THE STRONG links between the Soviet Union and Argentina, Moscow's major Latin American trade partner after Cuba, are being intensified as a result of the renewal of a five-year grain agreement which expired last month.

The agreement, initiated this week during a visit to Buenos Aires by Mr Viktor Ivanov, the deputy Soviet Foreign Trade Minister, commits the Soviet Union to buy a minimum of 2m tonnes of maize, 2m tonnes of sorghum and 500,000 tonnes of soya beans annually until 1991. Total grain exports from Argentina to the Soviet Union are expected to exceed these figures this year.

The Soviet Union agreed to extend the basic agreement, having received a commitment that Argentina will boost its purchases of Soviet goods so as to narrow the enormous trade gap between the two countries.

Thanks largely to Argentina's refusal to go along with the US-sponsored grain embargo against the Soviet Union in January 1980, Buenos Aires in the last five years has established itself as one of Moscow's main suppliers of grain.

But only from early last year have the Argentines begun to boost purchases of Soviet goods after Moscow had threatened not to renew the grain agreement.

In the first six months of 1985 Soviet exports to Argentina increased by 30 per cent over the same period in 1984 to \$26m. In the first half of 1985 Argentina exported \$585m worth of goods, a 4 per cent drop over 1984. In 1984, Argentine exports for the whole year to the Soviet Union were \$1.3bn compared with imports of \$31m.

Separate agreements have been reached between Moscow and Argentine provincial governments for the supply of

road maintenance machinery and hydroelectric equipment.

As part of this week's deal, the Soviets have been assured of the main turbine contract for the 1,400 MW hydro-electric plant at Piedra de Aguila in southern Argentina. This will help boost the value of Soviet exports to Argentina to \$70m in 1986. Argentina has committed itself to buy a minimum of \$500m worth of Soviet goods over the next five years, more than tripling its imports since 1980.

Moscow is also understood to be making serious bids for other major public works projects.

Finally Argentina is close to an agreement to give the Soviets extended fishing rights off the South Atlantic coastline including berthing and re-supply facilities. The project is controversial because of the potential threat to the Argentine fishing industry and because of Western diplomatic concern over the presence of Soviet vessels in the region in view of Britain's ongoing dispute with Argentina over the Falklands.

Non-banks get Supreme Court boost

By William Hall in New York

THE US Supreme Court yesterday dealt another blow to the Federal Reserve Board's efforts to curb the spread of limited service or consumer banks. It ruled that the Fed, the US central bank, had exceeded its authority when it tried to regulate a limited service bank set up by a non-bank holding company.

The ruling, involving Dimension Financial Corporation, is the latest case to centre on the definition of what is and is not a bank and which regulator has prime responsibility. Dimension had set itself up as a non-bank holding company and was granted permission by the Comptroller of the Currency to open several limited service consumer banks.

The Fed, the primary regulator of bank holding companies, challenged the Comptroller's decision and amended its regulations in order to regulate limited service banks, which are sometimes referred to as non-bank banks. A non-bank bank can accept deposits but may not make commercial loans.

The Supreme Court agreed with a Federal Appeals Court ruling that the Fed had improperly changed its own jurisdiction under federal banking laws.

The ruling appears to validate an apparent loophole in America's complex banking laws.

Canadians find insurance a liability

THE CHERRY BROOK zoo in Saint John, New Brunswick closed its gates earlier this month for the same reason that Canada's leading maker of ice hockey equipment raised the price of players' helmets by C\$5 apiece.

Both are victims of sudden turbulence in the liability insurance market which has recently swept from the US into Canada. The zoo has been unable to find cover for less than C\$10,000 (£5,000) this year, compared to the modest C\$600 it paid in 1985.

Cooper Canada, which supplies two-thirds of the ice hockey helmet market, paid C\$3m in liability insurance premiums last year, 10 times higher than in 1984.

A public outcry over the jump in premiums reached a crescendo last week when the Canada's national ski team said it may be forced to pull out of international competition at the end of this month unless it can find insurance at a reasonable cost to protect itself against negligence claims by spectators and team members.

Mr Otto Jellicoe, the federal sports minister has challenged the insurance industry "to come to the rescue" of the team. The ski team joins municipalities, day-care centres, retirement homes, and numerous businesses which in recent months have either been turned down for new liability coverage or been presented with prohibitively expensive premiums as they renew existing policies to insure themselves against lawsuits from

people injured on or by their property. The cost of professional liability coverage for doctors, architects and engineers has jumped by a minimum of 50 per cent this year.

The Ontario Government has just appointed a commission to investigate the cost and availability of third-party insurance. Following insurance underwriters' refusal to provide personal injury coverage for Toronto municipality, the province has encouraged cities to set up their own insurance pools. Calls have surfaced in Parliament for Ottawa to set up a state-back insurance group.

The sudden tightening of the Canadian liability insurance market in some ways is a spill-over of the astronomical rise in premiums in the US in the past year. North American short term insurers are trying to reverse losses suffered in recent years as a result of cut-throat competition and soaring court awards.

Canadian insurers have suffered underwriting losses in eight of the past 10 years, with the shortfall exceeding C\$900m in 1984. Even with the latest jump in premiums, a turnaround is not expected until 1987.

Healthy investment income has offset underwriting losses up till now, but the drop in interest rates over the past year or two has lowered returns from this source too. One of the largest and most aggressive municipal insurance underwriters, Northumberland Insurance, went to the wall last year.

Although competition in the US has been equally fierce, the position in Canada may be exacerbated by the presence in a relatively small market not only of major North American underwriters but also subsidiaries of many major British and European insurers. The largest liability underwriters in Canada are Royal Insurance (with a market share of around 8 per cent), Canadian Indemnity and the Simcoe Erie group.

Until a year or two ago, damages awarded by Canadian courts in personal injury cases were substantially lower than the huge sums given to litigants in the US. But two cases in particular, both in Ontario, have made Canadian underwriters and their reinsurers nervous.

The municipality of Brampton, one of Toronto's dormitory communities, was ordered to pay C\$6.3m last year to a

young trial bike rider paralysed after an accident in a municipal park. The other case involved a hospital patient who suffered brain damage after an anaesthetic left the operating theatre during the course of the operation. In this case, the court awarded damages of C\$2.2m.

The insurance industry is exasperated that strident protests against the soaring cost of liability coverage come from a public which in the past has lobbied for the widest possible protection against losses. Mr Daniel Damov, President of Travellers Canada, a leading casualty insurer, says, "the cost of creating a risk-free, loss-free society is high."

No proposals have surfaced so far which would keep both consumers and underwriters happy. Mr Roy Elms, executive vice-president of Royal Insurance argues that the problem has been blown up out of proportion. With big city council liability premiums equal to only 50 cents per resident, he says that "if there is a 300 per cent increase, it's not going to do a lot to the average tax (rates) bill."

Insurers were given some encouragement by a recent Ontario Appeal Court decision that a monetary limit specified in a third-party motor policy is an aggregate ceiling on an insurance company's liability, rather than a maximum applicable to each of a number of claimants. A forthcoming appeal against the sum of damages awarded in the Brampton motorcyclist's case will be closely watched.

Marcos has large US assets says panel chief

A CONGRESSIONAL sub-committee has released data showing that a close associate of Philippine First Lady Imelda Marcos paid taxes on a \$19m (£13.6m) New York estate and two lawyers said under oath they believed Mrs Marcos was the estate's principal owner, agencies report from Washington.

Mr Stephen Solarz, the New York Democrat who heads the panel, said tax records and testimony were among "irrefutable evidence" that President Ferdinand Marcos and his wife had at least \$350m in US property.

The panel released records showing that since 1982 some \$80,000 in taxes was paid on the Long Island estate of Mr Ylma Bautista, first secretary at the Philippine UN mission, who was described by Mr Solarz as Mrs Marcos' personal secretary when she is in the US.

Meanwhile, the US state department has reacted with disapproval to statements by Mr Marcos that he might not replace controversial armed forces chief Fabrian Ver, who was recently acquitted of charges in connection with the 1983 murder of Mr Benigno Aquino.

"How the VER leadership squares with military reform is a question that only president Marcos can answer," a department statement said.

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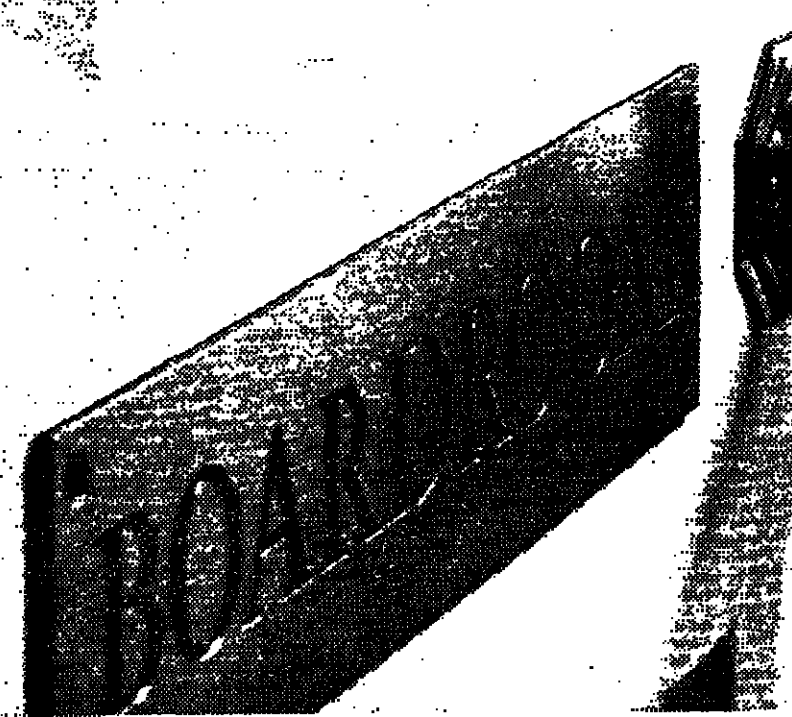
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NOTICE OF FIFTH PARTIAL REDEMPTION

THE KINGDOM OF DENMARK

Issue of US\$ 250,000,000 12 1/2% Notes due February 27, 1992 with 250,000 Warrants to subscribe 12 1/2% Notes due February 27, 1992

Pursuant to paragraph "Redemption and Purchase" of the Terms and Conditions of the Notes, notice is hereby given that as a result of exercise of Warrants, Notes for an additional aggregate principal amount of US\$ 36,000,000 will be redeemable on February 24, 1986 at 101 per cent of their principal amount, together with accrued interest (i.e. US\$ 632.19 per denomination of US\$ 5,000) from February 27, 1985 to the date of redemption.

The Notes bearing the following serial numbers have been drawn by lot in the presence of a Notary Public and may be presented to Kredietbank S.A. Luxembourg, 43, Boulevard Royal, Luxembourg or to the other Paying Agents named on the Notes:

Table listing serial numbers of notes for redemption, organized in columns.

Main table listing serial numbers of notes for redemption, organized in columns.

UK NEWS

Revised rescue plan imminent for Westland

BY LIONEL BARBER

SIR JOHN CUCKNEY, chairman of Westland, the UK helicopter company, is expected to announce a revised rescue plan by Sikorsky, the US helicopter maker, and Fiat of Italy, either tomorrow or early next week.

Cuckney says he encouraged Heseltine

By Bridget Bloom, Defence Correspondent

WESTLAND'S chairman said yesterday that he had encouraged Mr Michael Heseltine, the former Defence Secretary, to pursue a European solution for his ailing company because he felt it would be helpful in the negotiations with Sikorsky and Fiat, which were then in a difficult phase.

Strong growth forecast in health foods sector

BY LISA WOOD

THE UK market for health foods such as muesli, soy milk and lentils, is forecast to rise by nearly a third in value, to around \$650m (1984 prices) in the next four years, according to a report by Market Direction, the market research organisation.

Government plans to increase powers of financial regulators

BY NICK BUNKER

THE GOVERNMENT is to widen the powers of the regulatory bodies proposed in the Financial Services Bill to allow them to benefit from greater disclosure of information obtained by other regulators under the Banking, Companies and Insurance Companies Act.

Westland's financial adviser, Lazard Brothers, and its legal adviser, Slaughter and May, are setting the final details of the new plan, which is likely to require only a 50 per cent majority from shareholders at an extraordinary general meeting, to be held within the next fortnight.

Westland has yet to put a new plan to its bankers, Barclays and National Westminster. Barclays said that the original Sikorsky/Fiat plan - which failed to win the required 75 per cent majority at a meeting of shareholders last Friday - was no longer binding. "We are still awaiting a new proposal," said Barclays.

The European aerospace consortium that has presented a rival rescue plan said last weekend that it intended to hold talks with the Westland board and its advisers. But a meeting has yet to take place.

Four separate letters have been exchanged by the two sides but no progress has been made. Sir John has made it clear that a meeting is not worthwhile unless the consortium makes a "material" change in its proposals.

Mr David Horne, managing director of Lloyds merchant bank advising the consortium, has replied that he considers the European proposal superior to the Sikorsky/Fiat offer and therefore does not intend to amend the European proposal, at least for the time being.

Mr Horne is now effectively leading the consortium, a position formerly held by British Aerospace. The BAe board met on Tuesday and decided that it would have to withdraw from the leadership after the political controversy surrounding an extraordinary general meeting, to be held within the next fortnight.

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Notes surrendered for redemption may have coupon due February 27, 1986 and subsequent attached. Interest will cease to accrue on the above drawn Notes as from February 24, 1986. Amount remaining outstanding: US\$ 109,000,000. Luxembourg, January 23, 1986.

THE FISCAL AGENT KREDIETBANK S.A. Luxembourg

UK NEWS

Unions meet Murdoch on newspaper strike threat

BY JOHN LLOYD AND HELEN HAGUE

A MEETING today between Mr Rupert Murdoch, chairman of News International, and four print unions appears to offer the last chance of averting a strike in at least four of Fleet Street's newspapers - The Times, the Sun, the Sunday Times and the News of the World.

systematic deceit by the union in colluding with News International in providing members to staff up its new plants at Wapping East London and Glasgow, while denying involvement to the other print unions and to the TUC.

LONDON BROKERS TOP POLL OF INSTITUTIONAL SHAREHOLDERS

Capel analysts 'best for research'

BY JOHN MOORE, CITY CORRESPONDENT

ANALYSTS at James Capel, one of the largest London stockbrokers, have topped a poll of institutional shareholders for the quality of their research.

In a new survey, prepared by the US financial magazine Institutional Investor, Capel was voted top analyst of securities in five sectors - industrials, insurance, gold, oil, and convertible stocks.

consistency are skills also mentioned by institutional clients in explaining their choices.

number of the rankings were very close. "In the gilt-edged (government stocks) market category Stephen Lewis of Phillips & Drew enjoyed a slight edge over Gordon Pepper of W. Greenwell, and in traded options, Michael Freyd of Phillips & Drew barely squeaked past Charles Williamson of Sheppard's and Chase. The entire technical analysis field was very close."

Call to ban bids with borrowed money

BY NOR OWEN

THE GOVERNMENT was urged in the House of Lords last night to ban takeover bids financed by borrowed money.

Lord Ferrers, a former deputy leader of the Lords, said that if the takeover bid, now being considered by the Monopolies and Mergers Commission were to go ahead, it would mean Allied Lyons being broken up so that Elders could pay off the banks from which they had borrowed the money.

national interest, as well as the interests of the company for which the bid was being made and the interest of its employees.

stop this kind of "extra-territorial marauding."

Birmid to shut iron foundry

THE STERLING METALS subsidiary of Birmid Quacast, the leading foundry group, is closing its larger iron foundry at Nuneaton, near Coventry, with the loss of 700 jobs, Ian Rodger writes.

The foundry is the only one left in the UK capable of making cylinder blocks for high speed diesel engines, such as those used in trucks and farm and construction equipment.

Birmid said the closure decision was taken because the market outlook did not justify the investment needed to keep the plant competitive.

Mr Arthur Mould, finance director of the group's foundries division, said that the total volume of castings purchased by the UK automotive industry had dropped since 1979 from 1m tonnes a year to under 300,000 tonnes.

The diesel engine sector has been particularly hard hit. In the past few years some leading diesel engine makers, such as J. I. Case (formerly David Brown), International Harvester, BL, and Vauxhall, have reduced or ceased UK production. Others, such as Cummins Engine, have maintained production but import castings from abroad for their new models.

Mr Mould said the Sterling foundry was producing only 600 tonnes a week of castings compared with a capacity of about 800 tonnes. It had been losing money "for a number of years," its only remaining large customer is Perkins Engines of Peterborough. Perkins said it was aware of Birmid's decision and was studying the situation.

Birmid has closed five large foundries since 1978. Mr Mould hoped that the Sterling closure would be the group's last. All the remaining foundries in the group were profitable, he said.

BMW, the West German car maker, has injected £8m of new capital into its highly profitable UK subsidiary on terms which place a value of £35m on the company. At the same time, the German parent has been paid a record £12m dividend by BMW (GB).

The dividend was bigger than the £10.15m net profit for 1984, the year in respect of which it was paid. The 1984 net profit, on sales up from £237.5m to £260.8m, was nearly double the £5.34m for the previous year but included an extraordinary tax credit of £1.275m.

A SECTION of the London Underground tunnel to the new terminal four at Heathrow airport, London, has subsided by two inches.

London Underground is seeking to stabilise the earth, which has settled above the cut-and-cover tunnel, in time for the opening of the terminal by the Prince and Princess of Wales on April 1.

TAX-FREE incentives of £1,200 a year are to be offered to science graduates who take up training in teach mathematics and physics in schools. The scheme aims at reversing the worsening shortage of well qualified mathematics and physics teachers in state schools.

LAST YEAR was the worst on record for airline deaths, according to a survey by Flight International magazine. There were 40 accidents around the world which resulted in the deaths of 2,129 passengers and crew. That is more than twice as many as the average of 940 deaths a year over the past five years.

Bowater chief joins Tootal

By Anthony Morston

TOOTAL, one of Britain's big four vertically integrated fibre-clothes concerns, has appointed Mr Geoffrey Maddrell as managing director.

Mr Maddrell, 49, is one of the four chief executives of Bowater Industries and has been responsible for much of the work in diversifying Bowater out of its traditional dependence on paper and packaging. He will take up his new post in Manchester on February 1.

Mr Alun Wagstaff, chairman and chief executive of Tootal, said the appointment was "vital to the future development of the group which, having completed a wide-ranging and effective programme of rationalisation and having significantly strengthened and reoriented its management, all leading to record profits, is now ready for more aggressive expansion."

In future Mr Wagstaff will concentrate much more on long-term strategy. Mr Wagstaff, who is 61, also stated that it was hoped Mr Maddrell would become chairman when he retired.

MPs support seizure of drug assets

By Kevin Brown

THE DRUG Trafficking Offences Bill, which will allow the courts to trace and confiscate the assets of convicted drug smugglers, has been given an unopposed second reading in the House of Commons.

Mr Douglas Hurd, Home Secretary, said the Customs service had seized drugs worth a record £107m last year and smashed more than 70 drug smuggling rings. But he gave a warning that the drugs problem was likely to get worse before it got better.

Mr Hurd said the forfeiture powers in existing law had proved inadequate to combat the trafficking menace. Machinery developed in the bill would enable confiscation to play a leading part in the battle, while remaining within the boundaries of what was regarded as acceptable and just.

Mr Robin Corbett (Labour), said the opposition would facilitate the passage of the bill through parliament. He said it would be "sweet justice," however, if the confiscated assets of smugglers were used to fund drug treatment programmes rather than passing to the Treasury.

Mr Corbett said an explosion of drug smuggling and addiction in the last five years had put a generation of young people at risk. Drug smuggling was now Britain's biggest growth industry. There could be no hiding place for the traffickers or their assets.

Mr David Mellor, the Home Office Under Secretary, said the Government was considering widening the power to confiscate assets to "the wider criminal fraternity."

He said ministers were particularly concerned about the amount of money to be made from vice.

Mr Mellor urged MPs not to begrudge the Chancellor of the Exchequer the use of money confiscated from drug traffickers because it would help to finance the Government's attempts to combat smuggling by increasing the resources of the Customs and police.



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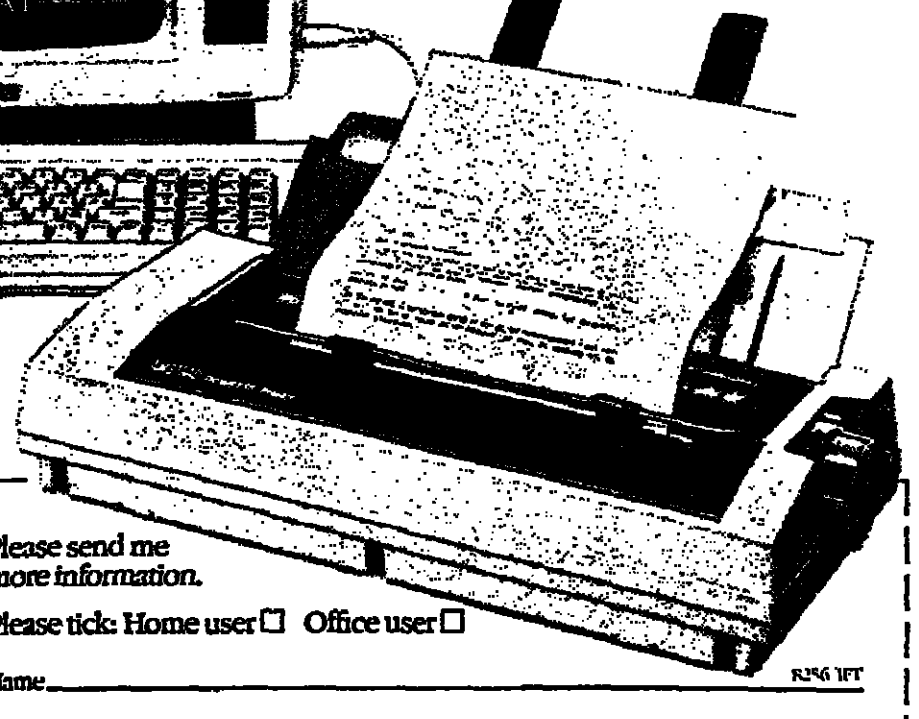
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WORLD TRADE NEWS GLOBAL COMMENT ONLY IN THE FT

UK NEWS

Employers call for brake on interest rates

BY HAZEL DUFFY

INDUSTRY LEADERS said yesterday that the Government should allow sterling to weaken rather than push interest rates up much higher.

Sir James Clesminson, chairman of the Confederation of British Industry (CBI), said after the meeting of the CBI council: "There has to be a point at which a further weakening of sterling is less damaging than a further rise in interest rates." He suggested that the point would be reached should interest rates go more than 1 per cent above present levels.

With a 1 per cent increase, however, the CBI believes that inflation can still fall below 4 per cent by mid-year.

Sir James accused exchange dealers and the international financial markets of paying too much attention to the importance of the oil price on British prices and ignoring some positive signs in the economy. The decoupling of the D-Mark and the dollar since the September G5 meeting had, for example, given British industry the chance to be much more competitive with German industry.

Some industries, such as chemicals, were expected to benefit quickly from the exchange rate benefits on the D-Mark, he said. Other industries would take longer to adjust

Sir Terence Beckett, CBI director general, suggested that for some it could take years - and the plea was to let British industry benefit from much greater exchange rate stability than in the past year.

Chairmen and chief executives of CBI member companies are to meet in the spring to determine the level at which pay settlements in the next pay round can be deemed realistic.

The meeting will be central to the CBI's determination to be effective in ensuring that higher wages are supported by productivity.

It would be more like "something in return for something" said Sir James, referring to the "nothing for nothing" speech by Sir Terence Beckett to the annual CBI conference last November.

Sir James said that it was up to management to demonstrate that a free market in wage settlements could be made to work. If it did not, then "some government surely will be tempted to bring in some form of incomes policy."

Latest figures from the CBI's pay databank give a hint of slightly lower settlements today than a year ago, while productivity increases in the past year have been slightly higher than the official statistics have been showing.

France presses UK to choose Ariane rocket

BY PETER MARSH

A REFUSAL by Britain to launch a military communications satellite on Ariane, the European space rocket, would damage the country's credibility in planning European space ventures, Mr Frederic d'Allest, the head of the French national space agency, warned UK officials yesterday.

Mr d'Allest was in London for talks with Mr Roy Gibson, the director of the British National Space Centre, and officials at the Defence Ministry.

France, which is the driving force behind Ariane, is exerting political

pressure on Britain to choose the European rocket rather than the US space shuttle as the launch vehicle for the Skyenet 4C satellite, due to go into orbit in 1988.

Mr Jacques Viot, France's ambassador to Britain, is to discuss the issue today with Mr George Younger, the UK Defence Secretary.

It appears that Defence Ministry officials favour the shuttle on the grounds that the Skyenet 4 series of satellites would require expensive modifications to be ejected into space aboard the European rocket.

Nuclear waste test sites to be named

By David Fishlock, Science Editor

UK NIREX, the company responsible for disposing of Britain's nuclear wastes, expects to announce next week the sites it will study in detail as possible repositories for nuclear waste.

Its announcement will be backed by a statement in Parliament by the Environment Department.

The Government proposes to bring a special development order before Parliament, requesting planning permission for UK Nirex to drill boreholes at the chosen sites. If MPs give their consent the company will be spared the further delay of a public inquiry at this stage.

A public inquiry will be called, however, when the company has made its final choice of site and designed a repository in 18 to 24 months' time, said Mr John Baker, its chairman. The sites he wants to study further have been selected from about 2,000, mainly in the clay deposits of the Midlands and north of England.

A document setting out the principles of site selection and the nature and scale of the nuclear waste problem has been circulated by the company to all county councils in England, Wales and Scotland.

The bulk of the wastes is clothing and other materials used or handled by people working with radioactivity. It amounts to just over 1m tonnes by the end of the century, compared with the 32m tonnes of refuse disposed of each year in Britain.

The repository to contain this radioactive waste is seen as essentially a simple concrete structure with automated receipt and handling mechanisms.

UK Nirex plans to develop engineering designs in parallel with its geological studies, over a period of six to 12 months. After that, the boreholes will be monitored for water flow, soil conditions and other factors for up to two years.

Factors to be considered in the final choice include socio-economic conditions as well as the more familiar environmental considerations.

Mr Baker said that UK Nirex was willing to compensate for any loss of value, for example on any private property people found they could not sell.

Unionists count on vote of loyalty

Fifteen by-elections are being held in Northern Ireland today as a result of the Unionist MPs' resignations in protest at the Anglo-Irish agreement. Margaret Van Hatten assesses a campaign in which Protestant loyalists are being told they are voting not for a party, but for their country.

IT IS NEARLY 10pm on a starlit, bitterly cold night with black ice on the roads and a raw wind whistling. The road to Castlewelling in County Down, Northern Ireland, is deserted but for a battered van parked by a telegraph pole.

Down comes the election poster for Eddy McGrady, Social Democratic and Labour Party (SDLP) candidate, up goes the poster for Enoch Powell, Official Unionist (OUP) candidate.

The same thing is probably going on in deserted spots throughout the province as workers of all political parties go through the ritual motions of yet another election.

British government ministers insist that today's 15 Ulster by-elections, caused by the resignation of Unionist MPs in protest at the Anglo-Irish agreement, have limited significance and that the outcome will in no way affect Anglo-Irish governmental co-operation on policy-making in the north.

Recent polls show that at least three quarters of the people believe that when the outcome of any election in Northern Ireland has any perceptible impact on the lives of the people?

Certainly not during the last 12 years, although the voters have been dragged out with increasing frequency for Westminster elections, local elections, European elections and Northern Ireland Assembly elections. They are the most represented people in the British Isles and they have the least control over the way they are governed.

So despite the bitter weather of the past three weeks, with the worst winds for 90 years, snow, fog and driving rain, the machinery has rumbled into operation again in preparation for what could even be a record turnout.

The people know what is expected of them and have indicated on their doorsteps that they will not

disappoint. The response, as always, is either "You can count on us, you know you can," or a request for transport on polling day (after so many elections, party workers know exactly where their supporters are and do not waste time on the others).

No one seems to mention the agreement, or any other political issue, in the door-to-door canvassing. Many, when pressed, indicate they have only the basest idea of what is in the agreement; equally, many greet their candidates by name and indicate that their support for him is unquestioning.

Such political discussion that does take place comes mainly through the media or at public meetings. The Unionists have been far more active on this side, with public meetings every other night, sometimes several on the same night, attracting audiences of 200 to 300. There have been marches and rallies at the weekend, and press conferences almost daily.

Apart from the traditional themes - the threat of "home rule" from Dublin, the British Government's subservience to Republican terrorism, the proud and independent Orange heritage - there are new themes for this election.

Speakers of both the Official Unionists and the Democratic Unionists insist that the agreement is not legally binding because no legislation has passed through Parliament, "only a resolution."

They urge people to defy the agreement, although its lack of con-

tent poses problems. The only concrete example they have come up with is to urge people stopped at road blocks to insist on speaking not to the police but to the Ulster Defence Regiment, whose contacts with the public the agreement seeks to limit.

Unionist speakers have built up Mr Peter Barry, the Irish Foreign Minister, as their bogey man. Mr Charles Haughey, leader of the opposition in Dublin, has been totally disregarded, though he may be resurrected later. Meanwhile, it is resurrected later, that threatens to destroy democracy, "Barry's veto" that prevails, and Barry who "pre-sides" at Stormont and Whitehall.

Unionist speakers have seized gleefully on the Westland affair, predicting the imminent downfall of the Thatcher Government. They have retrieved from yellowing copies of Hansard the confident assertions of the former Prime Minister Edward Heath and Harold Wilson and Merlyn Rees, the former Labour Northern Ireland Secretary, that loyalist opposition to the 1973 Sunningdale agreement would be disregarded. They say: "We did it once and we can do it again."

Most of all they have stressed again and again the unity among the various Unionist factions, insisting that a vote in this election is a vote not for a political party, but for their country - for the "Unionist nation" as it were; and that failure to turn out would be little short of treason.

At the same time, they have

shown themselves vulnerable to the charge levelled by the moderate Alliance Party that unionist resistance to the agreement leads directly to UDI (unilateral declaration of independence).

Audiences have questioned Unionist speakers about their plans for the future, particularly if the British Government proves unresponsive. Interestingly, the party line breaks down here, but not along party lines. Mr James Molyneux and the Rev Ian Paisley, leaders respectively of the Official Unionists and the Democratic Unionists, who have been appearing together throughout the campaign, refuse to admit the possibility that the Government will not ultimately give way.

Mr Harold McCusker and Mr Peter Robinson, their respective deputies, who shared a platform in Larne last week, are leaving more options open. They are speaking of a devolved government for the province in which all parties would be represented in proportion to their share of the vote - an idea under discussion in senior Unionist circles.

For the nationalists, the campaign is a limited affair. The Social Democratic and Labour Parties are contesting only four seats and believe they have a chance of winning in only one - Newry and South Armagh, where the SDLP deputy leader Mr Seamus Mallon is challenging the OUP candidate Mr Jim Nicholson. In each of the four seats, however, they are hoping to in-

crease their share of the vote at the expense of Sinn Fein (the political wing of the Irish Republican Army).

They have held a few public meetings but no marches; the nationalists' style of campaigning concentrates more on doorstep canvassing and cars with loudspeakers.

This time there has also been an intensive drive for postal votes, resulting in a record level of applications. SDLP workers believe these have boosted their vote by 2,000 each in Newry/South Armagh and in South Down.

The SDLP campaigners attack the negativity of the "Ulster says No" Unionist slogan and stress their own internationalism. They, like the British, Irish, Americans and Europeans, support the agreement, only the "unholy alliance" of OUP, DUP and Sinn Fein oppose it. They do not, however, expect these arguments to win over many erstwhile Sinn Fein or Unionist supporters.

Two weeks ago, the management consultants Coopers & Lybrand conducted a province-wide poll for the Belfast Telegraph newspaper, asking 2,004 people for their responses to the agreement and the options for the future.

As usual the vast majority, including 61 per cent of Protestants, came out in favour of power sharing. As usual, they contradicted themselves in answering a subsequent question, with only 28 per cent of Catholics and 21 per cent of Protestants favouring power sharing as a form of government for the province.

One day, they may be asked to make up their minds what they really want. But so long as elections continue to have no more influence over their lives than opinion polls, they are likely to turn out as loyalists and as unthinkingly as they will later today.

Ulster's poverty 'second only to southern Italy'

CALABRIA in southern Italy is the only EEC region with worse poverty than Northern Ireland, where a quarter of the population now claims supplementary benefit or family income supplement and where the cost of living for people on low incomes is 13 per cent higher than in Britain, Robin Pauley writes.

A report by Ms Eileen Ewason of the Child Poverty Action Group, published today, shows

that Northern Ireland has the greatest concentration of low-paid workers in the UK and the highest rate of unemployment - more than 20 per cent.

About 55 per cent of males out of work in Northern Ireland have been without a job for more than a year. About a third of households in the region have a weekly income of less than £75.

A special survey among the unemployed in Derry, Northern

Ireland's second city, showed 15 per cent of men and 25 per cent of women were being treated for illnesses related to their circumstances.

"The picture is one of depression, anxiety, ulcers and other stress-related disorders, alleviated by tablets and occasional admission to psychiatric care." A majority reported shortages of essential clothing and more than a third of the women regularly

went without one meal a day.

More than 75 per cent of the households surveyed were in debt and the majority of marriages were under strain; only 20 per cent thought that their marriages had not been affected by unemployment. In a significant proportion of households shortage of money had sometimes led to children being unable to attend school.

Ms Ewason says Northern Ire-

land is the area of the UK least effectively served by the social security system and "no other region so effectively refutes the view that, over time, individuals, families and communities can adjust to poverty-line incomes and unemployment."

On the Edge, a study of poverty and long-term unemployment in Northern Ireland, £2.95; CPAG, 1 Macklin Street, London WC2.

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THE ARTS

Exhibition/David Piper

Rare impressions blow a refreshing breeze



Portrait of Jeanne Hébuterne (1918) by Amedeo Modigliani

The institutional involvement of Reader's Digest with an active policy of collecting works of art may come as a surprise. The selection from its collections now displayed in New Bond Street at Wildenstein (until February 8) certainly surprised me. To judge by the collection as a whole must equal or surpass quite a few well established art museums. Its curator, Frances Chavez, told me it comprised over 3,000 works, but that the reason it is so little known is that loans from it are rare. Hardly any of the paintings now at Wildenstein have been seen in Europe since 1940. Their purpose is primarily to enhance the well-being of staff and visitors at Reader's Digest headquarters.

Thirty-five works are on show, mainly paintings of the Impressionist and Post-Impressionist schools, though some are later. There are also a few sculptures.

The inspiration behind the collection came from the co-founder of Reader's Digest, Mrs Lila Acheson Wallace. She had an abiding passion for flowers and for gardens. She first enabled that spectacular custom at the Metropolitan Museum in New York of massive displays of fresh flowers in its entrance hall. She contributed largely to the restoration of the house and the legendary water garden at Giverny, where her favourite painter, Monet, had worked and painted endlessly for the last 40 years of his life. Celebration of nature, of the flower and fruitfulness is pro-

claimed in many of the paintings in this selection, whether by Manet, Monet, Sisley, Pissarro, Bonnard, Vuillard.

Intimations of a darker side are rare. Before you can divine them in Modigliani's modulation of a young woman in an armchair into a complex rhythm of sinuous, answering curves and resonance of dense earthy colours against the clear light blue of the chair back (and of her blank eyes), you have to know that the sitter was his mistress Jeanne, who was to jump to her death from a window on the day of his funeral. Maybe there is, as always with Modigliani, a pervasive melancholy latent in this image, but it is lyrical and does not suggest tragedy.

The most disturbing painting in the show is by Modigliani's friend and associate, the Polish-born painter, Stanislaw Januszewski. It is a study of a young woman in a white dress, her head tilted back, her eyes closed. The effect is one of a woman in a state of ecstasy or perhaps of a woman in a state of unconsciousness. The painting is a study of a young woman in a white dress, her head tilted back, her eyes closed. The effect is one of a woman in a state of ecstasy or perhaps of a woman in a state of unconsciousness.

The two Van Goghs present a contrast. Both date from those years when he was in the asylum, in 1890 to illustrate the two extremes, of depression and of delight, that they encompassed. The later of the two must be the attack on Oosterveld (rather than a sketch), in which some thatched roofs of cottages at Auvers and the hillsides beyond are convulsed as if in seismic shock. That must date from very late, perhaps from



"Thatched Roofs at Auvers" (1890) by Vincent van Gogh

those last few weeks before he shot himself in despair. The other, though likewise small in scale and until now little known, is a signal of pure joy: a few flowers popped up spontaneously into a little glass vase—green, clear blue, pink

and white, and the faintest turquoise. The energy—all but out of control in the later canvas—is here no less intense but controlled with the utmost economy and swift precision. It must be from that brief period before he left the asylum at

St Remy in May, when in the seething but treacherous convalescence, he affirmed hope as the abundance of early summer unfolded. Such freshness, exhilaration, is the most characteristic note struck through the exhibition.

Pleasure is positive. In the mastery of freedom of paint in the vision of a young woman among flowers—a late Manet, acknowledging Impressionist examples—the girl in her white dress almost disappears into a radiant glow of palest greys and lavender in the brilliant hues that splash and spray from the lush green about her. The Sisley looks across a gully with figures up a wooded slope that fills the canvas, rich with high summer—it is titled as representing women laundering, but the atmospheres are nothing so mundane and laborious, rather those of pure picnic.

Mrs Wallace's concept is still fostered by the Reader's Digest's management. The collection continues to grow. Its founder bought before the great price explosion that took Impressionist paintings of high quality into the stratosphere and out of reach. The range, however, is now considerable. One speciality is the American Hudson River school.

The collection's curator, Frances Chavez, told me they had not only supported the restoration programme at Charleston but were buying paintings associated with Bloomsbury. Duncan Grant, Vanessa Bell, even Roger Fry whose paint also did not match the lucidity of his prose and might look somewhat drab in context with the luminous intensity of this show.

Before returning to home and the delectation of the lucky staff at Reader's Digest, the show will travel to Rome and Paris.

Traitors/Drill Hall

Martin Hoyle

Melanie Phillips is the news editor of The Guardian and Jewish. Her first play, at the Drill Hall, off Tottenham Court Road, is about a Jewish journalist's growing awareness of the divided loyalties forced on English Jews by the British media's hostility to Israel. Political anti-Zionism, apparently, cloaks a general anti-Semitism, even among the tolerant, the liberal and those who work on radical publications.

"The Falklands Campaign (that godsend to thoughtful writers, positively protean in the symbolic roles forced upon it), forms an ironic counterpoint to Israel's invasion of Lebanon. The analogy is wildly simplistic but shows Ms Phillips's heroine how some forms of patriotism are acceptable, others taboo.

The author's fairness shares the general shock at Israel's actions ("It's as if we blew up Dublin because of the IRA"), but wisely, because too superficially, touches on the existence of the state of Israel itself whose shrugging answer to her critics is here given as "Life is unfair, someone always loses out."

Traditional anti-Jewish feelings among educated Britons would make a fascinating and disturbing play, but Ms Phillips never begins to convince with her caricature feminists or cricket-loving smoothies from the Ministry of Defence (our heroine blows the gaffe on the government with the help of a mole); or, at the other extreme, a mindless National Front skinhead arbitrarily brought on for a few shrieks and never seen again.

In between we have Harriet's thoroughly nasty colleagues and an anti-Jewish playwright who writes a virulent article; none of which really proves the author's point.

Julia Pascal's production is as stilted as much of the acting. As the golden girl journalist, Valerie Braddell, looks like Carmen, which gipsy-like glamour, we are led to believe, is responsible for her status as a female Robin Day; but fails to project much of Harriet's dilemma. The best performance comes from Alison Conner in two roles; crisp and stylish as her civil servant husband, a totally assimilated Jew, and alternately weary and impassioned as an Israeli journalist, that touches on issues without grasping them, and rarely sparking into theatrical life.

Valerie Braddell

Turandot/Covent Garden

David Murray

A year and a half old now, Andrei Serban's production of Puccini's Turandot returned to the Royal Opera on Tuesday with most of a new cast. There would have been more of it had the baritone, reekingly sado-masochistic, much less of a cruel myth than a cruel private fantasy. Serban's mock-oriental treatment (I take it that "authenticity is beside the point) is no mere conceit, but a means of cooling the visible action down to timeless-myth status without sacrificing the theatrical power of the tale.

Where Puccini's music gloats and whimpers, Serban keeps the action crisp, objective, athletic. He matches the ritualised "torturing" (which makes the story-point without cheap thrills) with a concluding point of his own: while Calif is a murderer, Turandot is a murderer's bride amid general rejoicing. Timur crosses the stage with Liu on her bier. The rebuke is well-earned. The Royal Opera's new Liu, Joanna Koslowska, is not

especially affecting (though sympathetic), but I do not think the production is at fault; perhaps Miss Koslowska's Liu — she made her operatic debut in the role, three years ago in her native Poznan — has not been fully translated yet from Polish to Italian, for she makes very little of her words. The voice, which won her the Benson and Hedges competition a year later, is bright and true, with an appealing depth in the timbre that ought to mature beautifully.

Robert Lloyd's Timur is equal to the general style and as yet, more than an earnest approximation of the real thing. Puccini clearly intended his last pronouncements to be more weightily incised than Lloyd manages yet. He and the conductor Jacques Delacôte are perhaps not in full rapport. On this first night, Delacôte seemed to soften the barbaric glare of Act 1, but in Act 2 he warmed to the Ping-Pong scene and then paced Turandot's interrogation of

Calif with exact dramatic sense, fully responsive to his singers. The Royal Opera chorus rose to a good beta-plus, the offstage tenors a notch higher.

Gwyneth Jones repeated her Turandot. "In questa reggia" was not quite in focus, but there was effective steel in her soprano, and afterwards her honest theatrical intensity was answered by full-hearted vocal authority. It hadn't the forbidding gleam of a Nilsson Turandot, which is maybe truer to Puccini's fantasy; but Dame Gwyneth's nervy, larger-than-life vulnerability is nicely adapted to the production style — almost a cartoon, but judicious and faithful.

Francisco Bonissoli's Calif is simple and sonorous, ardent but more soft-grained than ringing. Though he acts by numbers (and you could count on one hand), his reliability goes with a gloomily handsome presence to sketch a Calif who is gently, hopelessly fated. That fits too.

Calif

Peter O'Hagan/Purcell Room

Dominic Gill

It proved, unfortunately, to be a characteristic introduction: for Mr O'Hagan continued with a Tuesday evening recital of a piano sonata that was quite admirable in its fashion as a recital of the notes at the correct pitches in the correct combinations, but seriously lacked in its perception of the character of the music. Once again, dynamics were largely undifferentiated. Sudden double sforzandi met and passed each other with the same general mezzoforte blandness as triple pianissimos. But there was also a lack of knife-edge definition in almost every other respect, contrapuntal, rhythmic and timbral. The performance was

certainly well intentioned: but as a finished product it was not, as yet, more than an earnest approximation of the real thing.

Mr O'Hagan ended with the first twelve Debussy Preludes. The impulse, and the notes, were reliably there—but he was less reliably able to construct a poetic experience from, for example, a sound-canvas as spare and delicate as Des pas sur la neige, and it would seem that a pp descent on the professional and amateur debors is entirely beyond him.

Les Colines d'Anacropri emerged as headily unseasonous as the Surrey foothills in winter; the cathedral sank, albeit not without protest, without trace or resonance.

WEST GERMANY

Düsseldorf, Kunsthalle Grabbeplatz: Joel Shapiro: First stop for an exhibition covering 80 abstract sculptures and paintings by the American artist in the last nine years. Ends Jan 18.

Münster, Haus der Kunst, Prinzengartenstr. 1: Karl Spitzweg (1808-1885): 500 drawings and paintings with 70 cartoons from four artists, among them Daumier, Dürer, Gavarni and Grandville. Ends Feb.

Berlin, Bauhaus-Archiv, Königplatz 14: Walter Gropius, "The Architect and Designer." An exhibition of paintings, constructions, designs and furniture by Gropius. Ends Feb 2.

Bonn, Rheinisches Landesmuseum, Colmannstr. 14-16: Constant, a Dutch painter and architect, one of the founders of the avant-garde organisation COBRA in 1948. Is the highlight of a workshop of 85 oil paintings, gouaches and architecture constructions. Ends March 3.

Berlin, Schloss Charlottenburg, Orangerie Art During the British Exile. 300 works by 30 painters, architects and photographers are on show. Among them Kurt Schwitters, Walter Gropius and Tim N. Gidal. Ends Feb 29.

Hannover, Kestner Gesellschaft, Wambüchenstraße 16: Tony Craig: 10 objects of wood, stone, plastic and steel by the British sculptor. Three have been made for this exhibition. Ends Feb 9.

Theatre libraries threatened by loss of two grants

The British Theatre Association (the BTA) has been informed by the Arts Council that its annual grant will not be renewed for the coming financial year. Its grant for 1985-86 was £16,000. It will also lose a grant of £8,750 from the Greater London Council when the GLC is disbanded at the end of March. The BTA therefore has two months to try to increase its fund-raising operation in order to preserve and maintain its reference and play libraries, important assets in the professional and amateur theatrical life of the country.

Claret at Sotheby's

By Edmund Penning-Roswell

YESTERDAY'S claret auction at Sotheby's in London provided an opportunity to test the market in classic growths of recent vintages scarcely yet seen in the saleroom, and to provide price comparisons for some older years.

Owing to the lower dollar there was an evident absence of American buyers. All the wines were offered in bond, so about £10 a case must be added for duty and additional value-added tax (VAT). As Sotheby's charges a 10 per cent buyers' premium on sale prices this may have had a slightly retarding effect on prices which were generally at the lower end.

The leading prices for the 1983s were Latur £400 a case; Mouton Rothschild £400; Cheval Blanc £360; Pichon-Lalande £210; Becheville £125 and Lynch-Bages £125.

For the much sought after 1982s, prices were distinctly lower than last year as given in parentheses: Mouton-Rothschild £250 (£700); Margaux £450 (£580); La Mission Haut-Brion £450 (£580); Palmer £300 (£360); Ducru-Beaucailou £280 (£340); Pichon-Lalande £250 (£300); Lynch-Bages £175 (£220) and Lynch-Bages £150 (£250).

Older vintages also showed falls from last year's spring peak. They included Palmer '86 at £220 (£700); Luvville Las-Cases '70 at £340 (£800) and Ducru Beaucailou '78 at £190 (£240). But £1,750 and £1,000, respectively, were paid for cases of Petrus '84 and '81.

Pleeth Birthday Tribute

Andrew Clements

William Pleeth was 70 on January 12. To several generations of concert-goers he is known as a very fine cellist, especially in chamber music, but in cello-playing circles he is equally admired as a teacher. Eight of his former pupils, all now well advanced on their careers, came together at the Wigmore Hall on Tuesday evening to offer a birthday salute; the hall was crowded with many more to hear the rest.

Concocting a programme for a multiplicity of cellos is not the easiest thing in the world. Only the final work used the eight en masse; smaller permutations made up the rest. Robert Cohen had the privilege of beginning the concert alone, with a fluent, pleasantly buoyant account of Bach's Third Cello Suite; then the arrangements and novelties began. Anthony Pleeth (son and former pupil), Anita Lasker, John Heley, Katharine Thulborn and Stephen Orton played a version for five cellos of the Andante cantabile from

Chaiikovsky's First String Quartet, which commendably resists all temptations to egg-up the harmony; Orton, Thulborn, Heley and Christopher Vandarspar then dispatched a set of Variations for four cellos by August Klugmann, one of those works that sounds more fun to play than it is to hear.

Beethoven's Trio for two oboes and cor anglais Op. 87 became a cello trio for Vandarspar, Lasker and Michael Pleeth. The most convincing arrangement that left one wondering how it could ever work so effectively in the original instrumentation. Then forces were combined: as far as I know there is only one cello and that, Villa-Lobos's Bachianas Brasileiras No. 5, ended the concert. It is clearly a favourite of Miss Gomez and she sings it splendidly, with serene, sensuous control for the "Aria" and vivid coloration for the "Danza." Birthday concerts should always end in such an exhilarating, joyous way.

IBM sponsors "The Trojans"

A new, uncut version of Berlin's The Trojans, sung in English is to be presented in a collaboration between Opera North, Welsh National Opera and Scottish Opera and sponsored by IBM. The sponsorship is worth £150,000.

This is the first time that the three regional opera companies have collaborated. Opera North will launch the project in the Grand Theatre, Leeds, on September 27 this year with the first part of the opera, The Capture of Troy, which will then travel to Manchester, Nottingham and Hull.

The WNO will add The Trojans at Carthage in Cardiff in February 1987 and hand it back to Opera North, which will present the complete production in Glasgow in the summer of 1988, when it will also be seen in Edinburgh, Aberdeen and Newcastle.

David Lloyd-Jones will conduct the opera, designed by James and Sir Charles Mackerras WNO's in his first appearance as their musical director. The translator is Hugh Macdonald, Gardiner Professor of Music at Glasgow University.

The Trojans will be directed by Tom Cairns and Antony McDonald, the team responsible for Opera North's The Midsummer Marriage last autumn. Casting details will be announced in the spring.

This will be the first new production of The Trojans since the centenary productions in 1969 at Covent Garden and Scottish Opera.

Decorations, we presume

Orders, medals and royal gifts conferred on the great 19th century explorer Sir Henry Morton Stanley are to be auctioned at Christie's, London, on March 25.

The highlight of the sale, which is expected to realise a total of about £75,000, is a gold and diamond-encrusted oval snuff box presented by Queen Victoria in recognition of Stanley's success in finding the missionary and fellow-explorer Dr David Livingstone. The snuff box is expected to fetch between £20,000 and £30,000.

The items are the property of Stanley's grandson, Mr Richard Stanley, a farmer, who lives in the family home in Pibrigh, Surrey.

Mr Stanley, who shares his grandfather's love of the "Dark Continent" and returned his steps across Africa in an expedition in 1857, is selling the pieces reluctantly.

A miniature of Queen Victoria in a gold and diamond studded setting will also be auctioned. Presented to Stanley after his final expedition, the relief of Emin Pasha in Equatorial Sudan, the miniature is estimated to be worth between £10,000 and £12,000.

Three medals for the same expedition (from the Royal Geographical Society, the Royal Scottish Geographical Society and Chamber of Commerce in Antwerp) are expected to fetch up to £2,500 each. Other items include a cigar case presented to Stanley by Albert Edward, Prince of Wales, and numerous medals from European geographical societies. Stanley died in 1904.

A sale of 19th century ceramics, furniture and art at Christie's yesterday realised a total of £484,967 with 17 per cent bought in.

The top lot was an ornate mid-Victorian marquetry cabinet which was bought for £21,000 by Faslane and Whiteway, the London dealers. It had been expected to fetch £15,000.

The London dealers Antiquaria paid £21,000 for a silver centerpiece of the triumph of Bacchus, with two male attendants, an infant satyr and a goat and a helmet of Balfour, the London dealers, paid £17,280 for a fine Morris and Co. tapestry in silks and wools depicting George V in Victoria in a gold and diamond studded setting will also be auctioned. Presented to Stanley after his final expedition, the relief of Emin Pasha in Equatorial Sudan, the miniature is estimated to be worth between £10,000 and £12,000.

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Impasse in the schools

IT IS beginning to look as though the Government should change its tactics, though not its strategic objectives, in the long-running teachers' dispute. Many of the ideas of Sir Keith Joseph, Education Secretary, for restructuring the profession are entirely sound but the handling of the dispute has been unsuccessful. Large numbers of Conservative backbenchers and several Ministers now agree that the policy of head-on confrontation with the unions has to be softened.

The duration of the dispute, which is approaching its first anniversary, the passions it has aroused and the public concern about the aspirations of the unions and the offers of employers, have inevitably led to comparisons with the 1984-85 miners' strike. But this is not a dispute the Government can hope to win outright. The best it may now be able to achieve is some form of face-saving compromise — probably a wide-ranging inquiry into teachers' pay and conditions of work.

Solidity

One of the most important differences is the solidity of the support of rank-and-file teachers for industrial action: this dispute has not been engineered by union activists. There is little evidence that ordinary teachers are being coerced into disrupting classrooms. Instead it appears that most teachers are convinced of the validity of their case, which centres on the need for a very large pay increase for all teachers to restore eroded differentials and dismayed by the lack of sympathy shown by the Government.

Another difference is that the teachers' unions — in both Scotland and England — have waged a much shrewder campaign than the miners' leaders. Members have been balloted at every stage and the level of disruption has been escalated only gradually. A few days ago the National Union of Teachers, the largest union, held its eleventh ballot of the dispute and won a convincing 79 per cent mandate for its strategy of staged half-day strikes. These have proved immensely disruptive: some schools have been forced on to

a two-day week even though the teachers concerned have lost very little pay.

The immediate prospect is grim. Members of both the main teaching unions have come very close in recent days to voting to disrupt examinations. Such action would have been unthinkable a year ago. It is likely to happen if and when the union leaderships deem it desirable; at present they believe the half-day strikes each month are producing sufficient chaos. In the meantime the education of thousands of children is being badly damaged, perhaps irretrievably. The unions are stalling the profession applications for teacher-training courses are nearly 30 per cent down.

Dilemma

At the same time, the talks being held by Acas, the conciliator, are showing little sign of bearing fruit. They have been boycotted throughout by the NUT. Even if the smaller unions, which are now nearly as militant as the NUT and have recently upped their demands, reach a settlement for 1985, none of the pressing problems will have been solved. The dilemma for the employers is that while all the unions agree that very substantial awards are possible only in return for a far too long. The NUT's Luddism has been particularly damaging for the profession: its dogged insistence that teachers must be treated as an homogeneous whole and that any differential of any kind is undesirable is quite unacceptable in the 1980s.

The Government has to get across its message to rank-and-file teachers, which is that substantial pay increases are possible only in return for greater flexibility and clarity of contracts. It now looks as though the best way of doing this is not by continued head-bashing but by setting up an inquiry with broad terms of reference.

New Soviet style in foreign policy

IT HAS been clear, almost since the day 10 months ago when Mr Mikhail Gorbachev came to power in the Kremlin, that the Soviet foreign policy machine had moved into higher gear. What is becoming clearer now is that it is also becoming more imaginative and constructive and, in some respects, more conciliatory.

In the past week the Soviet Union has made the latest and widest-ranging of its many recent arms control proposals. This centres on a 15-year plan to rid the world of nuclear weapons, with the big and by now constant, Soviet caveat that the US first drop its space defence programme. But subsumed in it is an important concession that the Soviet Union is ready to take all its medium range missiles out of Europe if the US does the same, while Britain and France could keep their existing nuclear forces but not modernise them.

The British and French governments have firm plans to modernise their nuclear forces. But this does not diminish the fact that Moscow's apparent willingness to exclude the existing Anglo-French forces from the nuclear balance in the European theatre, as London, Paris and Washington have repeatedly insisted, is a step forward.

This, coupled with Soviet helpfulness in getting Britons and other foreigners out of war-torn Aden in recent days, put a resister glow on the talks which Mr Nikita Khrushchev, the Soviet deputy foreign minister, had in London this week that might have been expected after last September's reciprocal "spy" expulsions from London and Moscow. The way now seems clear for Mr Edward Shevardnadze to visit Britain in the first half of this year, the first Soviet foreign minister to do so since, surprisingly, 1976.

Temptation

Japan, another country with which Moscow has had very chequered relations, has just had a visit from Mr Shevardnadze, also the first visit there by a Soviet foreign minister for 10 years. Out of this came agreement to resume negotiations for a post-Second World War peace treaty between the two countries, though Tokyo will still apparently never sign on the dotted line until the Soviets return the four Kuril

islands seized from Japan in 1945.

After such a long period of rigid immobility in Soviet foreign policy, there is an understandable temptation to seize on any sign of movement and exaggerate its importance. The Japanese seemed to succumb to this temptation in claiming to progress the fact that Mr Shevardnadze was ready to acknowledge the existence of a dispute over the Kurils (in contrast to Mr Andrei Gromyko who for his last nine years as foreign minister refused to visit Japan, let alone discuss the islands issue with him). There is no indication that Moscow has any intention of letting the Japanese have any of the islands back.

But there is a process in foreign policy by which presentation becomes substance. Moscow has publicised, for instance, a welter of arms control proposals recently — on radical per cent cuts in strategic nuclear arsenals, on a Soviet-style zero option for medium range nuclear weaponry in Europe, on verification of ballistic missile warheads and test bans and so on. Many of them are unsatisfactory from the Western viewpoint. In closed session Soviet negotiators had apparent concessions with restrictions and caveats. But this persistent enticement by the Soviet Union of Western public opinion also creates certain concessions which Soviet negotiators cannot go back on at the bargaining table.

Suspicion

There is no immediate reason to suppose that this active phase in Soviet foreign policy will soon cease. The Soviet Union has a youthful, energetic leader who wants to make up for lost time and re-cast Soviet attitudes that had ossified under his three predecessors. Thus Mr Gorbachev has made fresh overtures to China and Japan, hinted at his desire for a political settlement to the war in Afghanistan, put out some feelers towards Israel, got Comecon to approach the EEC about a general trade accord, and set about more vigorously managing his own alliance in Eastern Europe.

The novelty in the style of Soviet foreign policy does not prove a change in underlying Soviet objectives. But, where possible, the West should respond, not with damning suspicion, but with vigilant interest.

PUBLIC policy-making in Japan has two very pronounced characteristics. They are fierce fighting between those who draw it up and a great reluctance to change policy once it has been set. Both factors are now at work with a vengeance as Japan contemplates an economic game plan in the world of the risen year.

At this stage of the process, not much is certain. One constant is that Japan, absent of substantive monetary or fiscal policy shifts, is facing a period of reduced growth in which any expansion will have to be internally generated and not as it has been in the cycle of the past three years, the result of exporting success.

The Government, which forecasts 4 per cent real growth in the fiscal year starting in April, is more optimistic than the private sector where estimates range from 1 per cent to 3 per cent. Both concede that exports will contribute nothing to this. The official bullishness may, but only may, be politically motivated in order to avoid unpleasant foreign criticism at the economic summit to which Japan will play host in early May.

A second constant is the extreme unwillingness of the economic bureaucracy and the leaders of industry, two of the three big players in policy-making, to abandon the austere anti-inflationary fiscal policies of the last half decade. The politicians, who comprise the third force, may have less of a commitment to tight purse strings, but their influence over policy is variable, as the mixed record of even a strong Prime Minister like Mr Yasuhiro Nakasone has demonstrated.

The great Japanese dilemma, therefore, is over how to square the circle of boosting domestic demand while maintaining fiscal austerity. The tax cut has done without weakening the yen, yet at the same time providing assistance to those segments of industry most affected by its appreciation.

The toughness of the task at least explains the babble of tongues of recent weeks. This has seen, for example, Mr Nakasone insisting on a cut in the discount rate, now 5 per cent, in the first half of this year, and Mr Satoichi Sumita, the Governor of the Bank of Japan, countering with quintessential central bank caution. It has seen the venerable chairman of Japan's big business lobby, Mr Yoshihiro Inayama of the Keidanren, fairly state that a straight income tax cut this year was not affordable and that a yen 140,000bn (\$700bn) public debt was a Damoclean sword pointing at the heart of Japanese prosperity.

It has produced Mr Noboru Takeshita, the Finance Minister, conceding in London that the underlying cause of the Japanese national deficit, the tax exemption on the first ¥3m in small savings, might have to go to get the economy moving. Yet, simultaneously in Tokyo, Mr Wataru Hirazumi, the articulate politician who has just been named Economic Planning Agency Minister, was blithely asserting that with oil prices coming down and the stronger yen greatly improving Japan's terms of trade emergency measures hardly seemed in order.

As if this were not enough, the foreign input into the domestic debate, which matters much more than it used to, continues unabated. In the last two weeks alone, Senator John Danforth, the US congressional

scourge of Japan, and the EEC president, have come to Tokyo to weigh in with their respective prescriptions of what Japan ought to do. Both have given warnings of the adverse consequences of inaction; so may, in the margins, the Tokyo summit, on which Japan pins so many hopes.

Yet beneath this apparent fixation with the immediate lies a fair amount of substantive analysis of the structural problems facing a prosperous nation, now with a per capita gross national product of over \$10,000 a year, but which is maturing into the post-industrial age and which has potentially acute problems stemming from a rapidly ageing population.

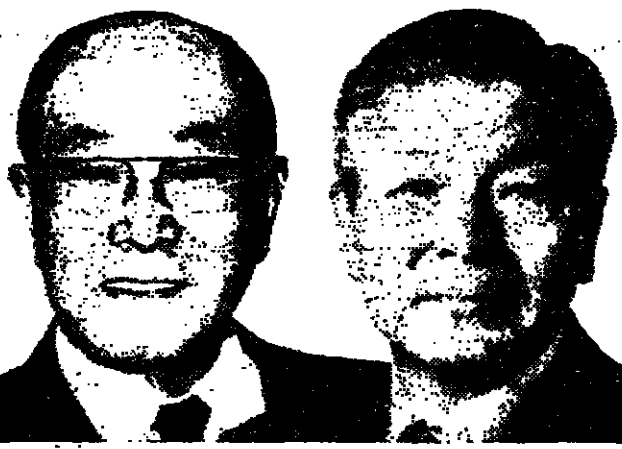
Probably nowhere has this been more evident than in the protracted debate over taxation. Japan has progressively steep income taxes and savage inheritance taxes, but the exemptions available to small savers and other relief (not to mention the national art of tax evasion) means that taxation nets about 35 per cent of national income, against, for example, 40-45 per cent in Western Europe. Mr Hiroshige Otake, the EPA's vice minister for international economic affairs, reckons that a tax burden of 40-45 per cent would be more appropriate for Japan.

A year ago, the tax reform lobby, which is strong inside the bureaucracy, had real hopes that a major redistribution of the tax load could be presented to parliament by now, even for inclusion in the next fiscal year budget. Vested interests have prevented this. The retail industry is wary of a VAT, the post office savings system wants to keep the exemption for small savers and the opposition parties on the left are against any re-allocation of taxes which favours wealthy individuals or corporations.

The Japanese way of making policy means that it is not done to ride roughshod over minority groups, such as that would be contrary to the strong national sense of fairness. Mr Otake, a realist, accepts this. "We cannot in Japan have a Reagan tax package," he says. "The Japanese way of making policy means that it is not done to ride roughshod over minority groups, such as that would be contrary to the strong national sense of fairness. Mr Otake, a realist, accepts this. "We cannot in Japan have a Reagan tax package," he says. "The Japanese way of making policy means that it is not done to ride roughshod over minority groups, such as that would be contrary to the strong national sense of fairness. Mr Otake, a realist, accepts this. "We cannot in Japan have a Reagan tax package," he says.

A related debate, though much less far advanced in policy-making terms, concerns wage levels in Japan. The

The tough task of boosting Japan's domestic demand while maintaining fiscal austerity explains the babble of tongues in recent weeks



Differing solutions: Yasuhiro Nakasone and Noboru Takeshita (top left and right) and Yoshihiro Inayama and Satoichi Sumita (centre).

Japan seeks to square the circle

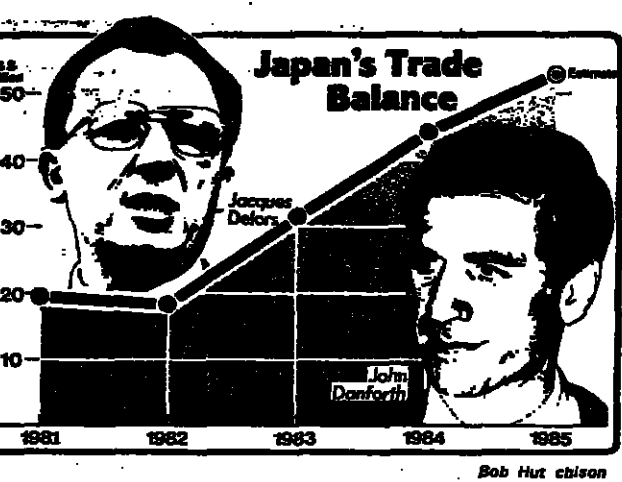
By Jurek Martin in Tokyo

heads of one side is that Japan can now afford to pay its workers more and that domestic demand would be stimulated more by higher wages, and thus more discretionary spending power, than by competitive pricing in the marketplace.

It is indisputable that one of Japan's great post-war achievements has been the even spread of national income. This has contributed greatly to a remarkable lack of envy in Japanese society and has thus been a major cohesive force. The salary differential between a major company president and a new recruit is still, typically, less than ten to one, picayune by Western standards. Senior

Japanese executives do gaudy expense accounts, but such perks are available to all who rise up the ladder.

As befits an orderly society, the manner in which pay increases are allocated is carefully structured and the government influence therein is considerable, though discreet. Its best-known manifestation is the annual spring wage offensive, known as the "shunto," in which major industries and representatives of their workforces negotiate pay awards which generally serve as national norms (the industries include the railways, state and privately owned, and steel).



Bob Hutcheon

Bagshaw back to Vauxhall

THE reorganisation of General Motors' car operations in Europe will give Opel, its West German subsidiary, an all-German executive board for the first time since the war.

All foreigners have been spurned off by GM's decision to set up a new European organisation in Zurich.

One of the displaced persons is John Bagshaw, a burly, confident Australian with a penchant for loud suits and even louder shoes, who has been Opel's director of sales since September 1983.

GM was being coy about Bagshaw's new job — quite rightly, because his work permit has still to be approved. But, as long as HM Government gives permission, he will return to Vauxhall in the UK as chief executive.

Bagshaw is already well-liked in Britain from his previous spell, from March 1981 until he took up the Opel job, as Vauxhall marketing boss. During that time he was given a great deal of credit for transforming Vauxhall from an also-ran to the position, today, where it is

Men and Matters

challenging El's Austin Rover for second place in the British car market.

Although he looks much younger, Bagshaw is now 61. He was born in Sydney and served in the Royal Australian Navy during the war. He remains a keen sailor and holds several Australian yachting awards.

He joined GM's Holden subsidiary in Perth in 1948 and served for a time in the late 1970s in Detroit before landing in the UK.

He takes over Vauxhall at a time when it aims for a record 20 per cent of the British car market but, more importantly, to achieve that and make a profit at the same time. To coin a phrase, that won't be plain sailing, even for a man of his experience.

Trafalgar's navy

The new admiral of Trafalgar House's navy will have in his charge the QE2 and four other cruise liners, three tankers, and an assortment of container ships. He will also be looking after the Ritz and Stafford hotels, in the West End of London.

Alan Kennedy, aged 51, relishes getting his feet upon his new quarter-decks. A regular Royal Navy man he was a Dartmouth cadet and then served for 23 years, becoming Commander of a nuclear submarine.

At 37, he decided that it was "time to do something else," and resigned. In his case "something else" resulted in him becoming chief executive and deputy chairman of the Thomas Cook group.

When he joins Trafalgar full-time in March he will be an

Executive director with full responsibility for the group's shipping and hotel operations.

The current turnover of his sector of group activities is £300m a year. It is likely to be one of the fastest-growing parts of the group's activities in years to come — under Kennedy, who sees opportunities in Trafalgar's small but up-market hotel base, and the leisure market opportunities offered by the Trafalgar cruising/hotels mix.

Tootal ties

Thirty years ago, Geoffrey Maddrell parachuted into Suez with 1 Para. Yesterday, at the age of 49, he was dropped into the newly-created post of managing director at Tootal, recent target for another kind of takeover bid.

That rather spartan venue has been chosen in preference to a plush hotel to encourage as many shareholders as possible to attend.

"Our shareholders are just ordinary people," said BET's Neil Ryder. "We didn't want it to cost too much, or look as though it had."

BET believes the £75,000 the evening will cost is money well spent compared with corporate advertising in the Press. It also feels it can put over more information to shareholders than is possible within the formal framework of an annual meeting.

BET has so far had acceptance from 500 of the 2,500 northern shareholders it invited. It plans to make the fun evening a twice a year event if the first one is successful.

BASE LENDING RATES

ABN Bank	12 1/2%	Hambros Bank	12 1/2%
Allied Dunbar & Co.	12 1/2%	Heritable & Gen. Trust	12 1/2%
British Bank	12 1/2%	Hill Samuel	12 1/2%
American Express Bk.	12 1/2%	C. Hoare & Co.	12 1/2%
Amro Bank	12 1/2%	Hongkong & Shanghai	12 1/2%
Henry Ansbacher	12 1/2%	Johnson Matthey Bkrs.	12 1/2%
Associates Cap. Corp.	12 1/2%	Knowles & Co. Ltd.	13 %
Banco de Bilbao	12 1/2%	Lloyds Bank	12 1/2%
Bank Hapoalim	12 1/2%	Edward Manson & Co.	13 1/2%
Bank Leumi (UK)	12 1/2%	Megraw & Sons Ltd.	12 1/2%
BCCI	12 1/2%	Midland Bank	12 1/2%
Bank of Ireland	12 1/2%	Morgan Grenfell	12 1/2%
Bank of Cyprus	12 1/2%	Mount Credit Corp. Ltd.	12 1/2%
Bank of India	12 1/2%	National Bk. of Kuwait	12 1/2%
Bank of Scotland	12 1/2%	National Girobank	12 1/2%
Banque Belge Ltd.	12 1/2%	National Westminster	12 1/2%
Barclays Bank	12 1/2%	Northern Bank Ltd.	12 1/2%
Benevolent Trust Ltd.	12 1/2%	Norwich Gen. Trust	12 1/2%
Brit. Bank of Mid. East	12 1/2%	People's Trust	13 1/2%
Brown Shipley	12 1/2%	PK Financ. Int. (UK)	13 %
CL Bank Nederland	12 1/2%	Provincial Trust Ltd.	13 1/2%
Canada Permanent	12 1/2%	R. Raphael & Sons	12 1/2%
Cayzer Ltd.	12 1/2%	Rosburgh Guarantees	13 %
Cedar Holdings	13 %	Royal Bank of Scotland	12 1/2%
Charterhouse Japhet	12 1/2%	Royal Trust Co. Canada	12 1/2%
Citibank NA	12 1/2%	Standard Chartered	12 1/2%
Citibank Savings	12 1/2%	TCB	12 1/2%
City Merchant Bank	12 1/2%	Trustee Savings Bank	12 1/2%
Clydesdale Bank	12 1/2%	United Bank of Kuwait	12 1/2%
C. E. Coates & Co. Ltd.	13 %	United Mizrahi Bank	12 1/2%
Comm. Bk. N. East	12 1/2%	Westpac Banking Corp.	12 1/2%
Consolidated Credits	12 1/2%	Willesley Laidlaw	13 %
Continental Trust Ltd.	12 1/2%	Yorkshire Bank	12 1/2%
Co-operative Bank	12 1/2%		
The Cyprus Popular Bk.	12 1/2%		
Duncan Lawrie	12 1/2%		
E. T. Trust	13 %		
Essex Trust Ltd.	13 %		
Financial & Gen. Sec.	12 1/2%		
First Nat. Fin. Corp.	12 1/2%		
First Nat. Sec. Ltd.	12 1/2%		
Robert Fleming & Co.	12 1/2%		
Robert Fraser & Ptns.	13 1/2%		
Grindlays Bank	12 1/2%		
Guinness Mahon	12 1/2%		

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*Day deposits 8.75% 1-month 9.02% 3-month 9.25% 6-month 9.50% 12-month 9.75% at 3 months notice 12.00%. At call when £10,000+ remains deposited.

Call deposits £1,000 and over 9% gross.

Mortgage base rate.

Demand dep. 6%, Mortgage 12%.

Observer

ECONOMIC VIEWPOINT

Taking oil prices on the chin

By Samuel Brittan

IMPACT ON UK ECONOMY OF OIL PRICE FALL

(A Treasury view of the effect of a 10 per cent fall in world prices)

Change from base	Real GDP (%)	Retail price inflation* (% pts)	Real personal disposable income (%)	Real national disposable income (%)	Exchange rate* (%)	North Sea revenues (£bn)	PSBR: (as % of GDP)	Short-term interest rates (% pts)
Year 1†	+0.1	-0.1	0.0	-0.2	-2.2	-0.7	+0.7 (+0.2)	+0.3
Year 2	+0.2	+0.2	+0.1	0.0	-1.7	-1.1	+1.1 (+0.3)	+0.4
Year 3	+0.1	+0.1	+0.1	-0.1	-1.5	-1.2	+1.0 (+0.3)	+0.4
Year 4	0.0	0.0	+0.1	-0.2	-1.5	-1.1	+1.1 (+0.3)	+0.4
Year 5	0.0	-0.1	0.0	-0.2	-1.2	-1.1	+1.3 (+0.3)	+0.4

* In fourth quarter † Financial year

Source: Treasury Working Paper No 34, April 1985.

IT IS impossible to attend an international economics conference without hearing complaints about price rigidity—ie of prices which are slow to move, especially to fall, to reflect market changes. The rigidities, about which there are most grumbles, are in wages. But there are plenty of others too. Is it not, therefore, a cause of at least mild rejoicing, when one price—that of oil—is becoming less rigid and one cartel is disintegrating?

Can it be anything other than helpful for world stagflation when an important element of the price component of world GDP falls and we interpret "responsible financial policies" to mean maintaining a stable path of money times velocity, then it is difficult to see how falling oil prices can lead to other than less inflation and higher output, creating favourable expectations for the following stages.

According to standard economic models (eg OECD, reported by Phillips and Drew) a 30 per cent fall in oil prices will reduce average OECD inflation by nearly 2 per cent in first impact and raise real growth by nearly 1 per cent. The last estimate is too low if world governments really do maintain nominal demand growth, and I suspect the first is too low as well. Follow-on effects are taken into account.

Clearly oil-producing countries will suffer, as will banks heavily lent to marginal oil producers. But I cannot believe it is beyond the wit of man to engineer a sufficient recycling of the increase of world income to countries like Mexico and Nigeria and to cushion the world's banking system against sectoral weaknesses. The main worry is that a disproportionate part of the load falls on the Fed in general and Paul Volcker in particular.

As an oil producer, Britain clearly stands to gain less than some countries and could even lose. But a sense of perspective can help. Oil production in 1985 was 4 per cent of the British GNP. Net oil exports were 7 per cent of total exports of goods and services; and oil was expected to account for 9 per cent of total UK budgetary revenues in 1985-7 on the original estimates.

Nevertheless, the foreign exchange markets have a known tendency to overshoot; and the Treasury simulations

in the adjoining table almost certainly understate the impact on sterling; if so the impact on inflation is also worse than the Treasury shows.

If there were a single world market for goods and services, a 2 per cent fall in sterling would offset the counter-inflationary gain of a 30 per cent fall in oil prices. On a more conventional model, where the impact is mainly on import prices, an 8 per cent fall in sterling would be needed. Taking an average of the two approaches gives us 5 per cent—a fall which has already been well exceeded if one reckons from sterling's trade-weighted average of 81 at the time of the Autumn Statement.

But the British Government cannot simply estimate a trade-off and determine the exchange rate. In principle market balance is achieved when the interest rate differential in favour of London is equivalent to the expected fall in sterling. But over a week, the relevant interest rate is the weekly rate which would be about 1 per cent if the annualised interest rate were 50 per cent.

Thus there has been a case for letting the pound drop to a defensible level before mounting a counter-attack. It is very difficult to understand why the Bank has not made it much more expensive to borrow in sterling for very short periods to speculate against it.

But whatever did not happen yesterday, UK interest rates are clearly headed upward. More over not all the reasons are external.

Evidence of very vigorous credit demand ranges from the anecdotal—astronomical rises in London apartment prices—to overall bank lending figures.

Consider also the following. When the original official forecasts were made for 1985, base rates were 9½ per cent and the rise to 14 per cent not even a glimmer in anyone's eye. Yet in the end the economy grew by 3½ per cent, well up to forecast.

It follows that either the influence of interest rates on activity is modest, or that underlying growth has been faster than the Treasury supposed, even though it is among the most bullish of forecasters. The latter conclusion is the more likely.

Finally, how would being in the EMS help the British Government? To maintain the EMS parity, there would have to be considerable fluctuations in interest rates and it would be naive to suppose otherwise. But it is also clear that the interest rate fluctuations would be any larger than they already have been outside the EMS.

The combined resources of the main EEC countries would be available to defend sterling against speculative attack, and not merely the UK's meagre reserves.

But even then, intervention can only go so far. Much more important is the probability that monetary policies would be far more credible in the context of an explicit exchange rate agreement, than within a combination

of unconvinced money supply targets and whispered exchange rate objective that dare not speak its name.

Moreover, the fact that the currency realignments within the EMS are normally confined to a few percentage points would put some limits on foreign exchange market expectations, which are now unlimited both on upswings and on downswings.

Membership of the EMS is, in my view, at least 75 per cent of the reason why Socialists in France now have a considerably lower inflation rate than Thatcherite Britain.

Ideally, the UK would have joined the EMS either before the present currency and oil market upset or would do so afterwards. But action can rarely be taken at ideal moments; and by far the most reassuring Government statement that could be made would be that it had started on the path to EMS membership—and thank its lucky stars that the other EEC members were willing to have us.

I hardly need to argue that there will be no room for mainstream tax cuts. The qualifications market upset or would do so afterwards. But action can rarely be taken at ideal moments; and by far the most reassuring Government statement that could be made would be that it had started on the path to EMS membership—and thank its lucky stars that the other EEC members were willing to have us.

These subtleties take time to arrange; and it is extremely unlikely that a temporary incentive would be met with wholesale and immediate

manipulation. The main idea would be to demonstrate with a cash carrot that small highly-paid labour forces are not a social priority when labour is the main unused resource and when actual pay is above the shadow price of labour that would prevail in a competitive market.

Something "structural" and psychologically appropriate would surely be received better by the markets than a dose of pre-election largesse.

Suppose, against all the odds, that a last-minute improvement in the revenue estimates or in financial market sentiment, allowed a tax cut to be made, and despite my advice to the contrary, it was made in personal tax? What would be the least bad way to proceed?

As the Government has used all its tax-cutting opportunities since 1978 to raise thresholds rather than cut basic rates, it might as well continue on this path rather than alienate both camps.

But it would be possible to make the process far more cost-effective, ie to prevent the greatest part of the benefit of raising the personal allowances from spilling over to those who are well above any conceivable tax threshold.

The way to prevent this spill-over (as I explained in detail in Economic Viewpoint on January 24 1985) is to use the clawback procedure now applied to the Age Allowance.

Lombard

A vital test for self-regulation

By Barry Riley

THE NEED to impose much higher standards of disclosure upon the life assurance industry in the UK is going to provide one of the sternest tests for the new framework of investment regulation in the investment industry.

It has to be said that the omens at present do not look at all good. Not only is MIBOC, the Marketing of Investments Board Organising Committee, apparently encouraging proposals to set up a cosy commissions cartel allowing insurance brokers to avoid direct disclosures which they should already be making under agency law. But there are few signs that active consideration is being given to the broader question of how to disclose costs in a way which would enable potential clients to make comparisons.

Costs are inevitably heavy in the marketing of relatively small investment products. This point is not always realised. For example, Mr Norman Fowler, the Social Services Secretary, had a shock when he attempted to hand over the state pension scheme, SERPs, to the private sector on a plate, only to have his generous offer spurned on the grounds that the many millions of small accounts would be uneconomic to service.

At a higher level of premiums the policies can certainly be economic, and indeed, highly profitable—but the costs are larger than most policyholders would suspect. A paper presented to the Institute of Actuaries this week by Mr Geoffrey Bernstein suggests that a typical pension plan of a size and type taken out by a partner in a professional company bears charges which are equivalent to a deduction of some 20 per cent from only 80 per cent of the money goes into actual investments.

Moreover, these charges are commonly presented in ways which make it difficult for the investor to tell what is really going on. Usually there will be at least three layers, including a front end load, annual management charges, and a proportion of investment in so-called "capital units" which bear extra deductions.

And this is in the relatively transparent sector of unit-linked plans. Traditional life offices operate on the basis of aggregated pools of investments from which costs are deducted as they arise and out of which "bonuses" are credited after actuaries have made complex calculations which are deliberately obscure and are by no means consistently applied from year to year.

It has to be recognised that there are major problems, both practical and conceptual, in improving standards of disclosure in these areas. So there is an urgent need for detailed study. But the question was not addressed in the MIBOC discussion paper published last month, a document which concentrated on the more limited subject of commissions and other payments to intermediaries.

And last week the embryonic regulatory organisation spanning life assurance and unit trusts, LAUTRO, announced the setting up of five working parties to draft various parts of its rule-book. None of these groups, in its terms of reference, appears to have the standardisation of costs and charges as a priority item.

It may be that working party two, covering advertisement and illustrations, will deal with the subject. But it appears that current thinking is veering only towards a formula for disclosure of the surrender value of policies at various terms of years in the future. While of some use, this only tackles the fringes of the question.

A fundamental concept underlying the new investor protection framework is supposed to be "equivalence". There is much talk of establishing a "level playing field". But, to the investor, it may well seem that he is kicking the ball uphill in the face of a blinding blizzard.

Unless he is provided with clear answers, in a way which will help him to judge the value offered both by immediately competing products and by quite different types of investment, such as direct stock and market investment, self-regulation will have failed.

Left hand-right hand

From the Director General, National Association of Pension Funds

Sir,—Behind recent passionate protestations from the Government benches of belief in free markets there is a nagging thought that perhaps the Secretary of State for Social Services hasn't been told.

He has always said, in planning the introduction of personal pensions, that he is anxious to preserve the existing structure of corporate occupational pension schemes, while giving freedom for the individual to choose for himself. If, he has always argued, your product is as good as you say, you have nothing to fear. It is up to you to market it and the individual will choose for himself. Fair enough.

In his zeal for extending retirement provision through personal pensions the Secretary of State has decided to offer a 2 per cent rebate to anyone contracting-out of the State earnings related pension scheme (Serps). He thus reduces the future burden on Serps and fulfils the philosophical objective of self-provision.

He goes further however. His intention is to pay the 2 per cent rebate to members of already contracted-out schemes in his future elect for personal pensions. There can be no justification for this. It would not reduce the burden on Serps. It is a willful distortion of the free market economy. The Secretary of State is actually bribing people from one area of the private sector (occupational pensions schemes) into another (insurance companies) with taxpayers' money. He has furthermore gone back on all he has quite properly said about the free market during the prolonged personal pensions debate.

The White Paper before Christmas was capable of different interpretation. The Bill published last week, however, is unequivocal in Clause 3 and Clause 7 compounds the felony. Both should be opposed on the very grounds previously upheld by the Secretary of State himself.

Henry L. James
18/8 Grosvenor Gardens, SW1

Monopolies and mergers

From Lord Bruce

Sir,—In referring to your report (January 21) of the decision to refer the GEC bid for Plessey to the Monopolies and Mergers Commission may I draw attention to the fact that in the House of Lords Lord Lucas of Chilworth speaking on behalf of the Government advocated the very merger which

Letters to the Editor

his own Secretary of State has now referred to the commission.

After pointing out that the combined turnover of GEC and Plessey was about \$1.5bn compared with that of AT & T of \$12bn he said "the fact of the matter is that the product of GEC-Plessey good as it is—and the highest rated food store in the UK market which totals about £500m, alone. It is necessary to have at least £1bn to stay in the game. They should be amalgamated with or collaborating with other companies to secure the export markets which they cannot secure, and they will not survive at their present turnover on UK only purchasing."

Bruce of Donington,
House of Lords SW1.

Politician and actress

From Elizabeth Lynne

Sir,—Your very amusing review of "The Mousetrap" (January 18) said that my way down to earth, straightforward performance of Miss Caswell bodes ill for my political career as SDP prospective candidate for which, I assume, that this is an inverted compliment to my integrity for which I thank your reviewer.

I should however like to mention that I am actually a member of the Liberal Party and as such am prospective parliamentary candidate for the Liberal/SDP Alliance. I believe that the straightforwardness I am credited with is a hallmark of the Alliance and is a political asset rather than a liability.

Elizabeth Lynne,
399 Old Road,
Glacton on Sea, Essex.

Views of Argyll

From Mr R. Hunter Blair
Sir,—The ARGYLL bid for Distillers still appears to be under consideration but as Argyl has recently criticised Distillers quite strongly, it is perhaps worth looking at Argyl's past record and management team. In recent years, over one third of the value of the combined company, after the cash payment, is contributed by ARGYLL. Argyl has some stores in Edinburgh but because they may not be representative, I decided to look at Egon Ronay's latest guide, as it includes a section on supermarkets. A visit was paid to three Presto stores. A 40,000 word report

Careful drafting needed

From Mr P. Cole

Sir,—Now that the Patent Office is to become an independent public corporation it had already started public relations activities to increase public awareness of patents. Given the low base level of such awareness, even among scientists, engineers and product designers, these activities should be welcomed by those in the profession of patent agency.

The principal role of the Comptroller of Patents however is judicial. For each new application he has to decide whether the invention described to him is new and truly possesses inventive character, and whether the claimed monopoly should be granted in an extended or limited form. He may also have to decide whether a patent should be revoked on the initiative of a third party, what should be the terms of a compulsory licence sought by a third party or what compensation should be paid to an employee inventor of a patented invention of outstanding benefit to his employer. For the proper exercise of his judicial role the comptroller receives evidence under oath and has a relation to the giving of evidence, the attendance of witnesses and the discovery and production of documents all the powers of a judge of the High Court other than the power of summary punishment for contempt. Similar powers exist in relation to trade marks and registered designs.

The legislation establishing the new independent agency will have to be carefully drafted to balance the dignity appropriate to the comptroller's inescapable judicial functions against the

very necessary new commercial approach to the promotion of science and other forms of intellectual property.
Paul G. Cole,
49 Effingham Road,
Surrey, Surrey.

The Danes and EEC reforms

From Mr A. Braendgaard

Sir,—Your reporting on the Danish stance on the EEC reform package (January 15 and 16) is not quite accurate. The referendum proposed by Mr Schlueter's coalition Government has, contrary to the article on January 15, been held. Incidentally, other countries have dragged their feet. The UK in particular, and experience in many fields of EEC activity suggests that Denmark is more likely to "play by the book" once there is a book, than some of the countries eagerly pressing for the creation of yet more "books". Indeed attempting to superimpose a symbolic political structure on economic co-operation beset with severe problems is a little like trying to preserve a faltering marriage by having yet another child rather than doing something about the real problems.

Asger Braendgaard,
Institut for Produktion,
Aalborg Universitetssenter,
Fibigerstræde 4,
DK-9220 Aalborg.

Over the odds

From Mr A. Greenwood

Sir,—My kitchen measures 10 ft by 9 ft by 7 ft and my car does 35 mpg. If I get a free glass with every 218 of petrol and assuming, unrealistically, that the glasses do not break, can someone please work out how long it will be before I can't get into the kitchen and how much the glasses will have cost me given that David Coombe (January 21) believes we are all paying 14p over the odds for a gallon of petrol? Andrew Greenwood,
5 Hallgate Court,
Nursery Lane, Leeds.

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Denmark snubbed in EEC row

BY QUENTIN PEEL IN THE HAGUE AND ROBERT MAUTHNER IN LONDON

DENMARK yesterday received a brush-off from four other members of the European Community - Britain, West Germany, the Netherlands and Italy - for its attempt to renegotiate EEC reforms approved by Community leaders last month. The rejection of Denmark's demands was communicated personally by Sir Geoffrey Howe, the British Foreign Secretary, and Mr Giulio Andreotti, the Italian Foreign Minister, to Mr Uffe Elleman-Jensen, their Danish colleague, during a lightning tour of Community capitals to explain his Government's position. The German rejection came in a statement from Bonn. Mr Hans van den Broek, the Dutch Foreign Minister and current chairman of the EEC Council of Ministers, spent out his Government's strenuous objections to Denmark's proposal in The Hague.

Other Community member-states are expected to adopt a similar attitude to that of Britain, Italy and the Netherlands, a prospect which, paradoxically, the Danish Government is likely to welcome. The Government of Mr Poul Schlüter will then be able to go back to the Danish Parliament, which rejected the reform measures on Tuesday, and tell it that its renegotiation demands are unacceptable to the other member-states. The next step would be the calling of a consultative referendum by Mr Schlüter's minority conservative-liberal coalition, which basically approves the reform package. The key part of the package is a commitment to remove all remaining barriers to a completed Common Market by 1992 and a switch to more majority voting by the mem-

ber-states. It also provides for greater involvement by the European Parliament in EEC legislation. Mr van den Broek said he would ask his fellow foreign ministers next week to sign the agreement at their following meeting on February 17 - even if Denmark is still awaiting the results of the referendum. Sir Geoffrey Howe told Mr Elle-

Peres urges new Marshall Plan for Mideast

By Roger Matthews in London

MR SHIMON PERES, Israel's Prime Minister, called yesterday for a new Marshall Plan to underpin the present Middle East peace process. In a speech at the Royal Institute of International Affairs in London, Mr Peres urged the US, Europe and parts of the Middle East to join hands in creating a new economic vision for the region. He said he was convinced that if the cause of peace, was to be advanced, then the infrastructure and industrial base of the countries involved had to be widened. Mr Peres proposed that his scheme should be put into operation even ahead of the solution of all the region's political problems.

The Israeli Premier - who had earlier met Mrs Margaret Thatcher, the British Prime Minister, for 90 minutes, and Sir Geoffrey Howe, the Foreign Secretary, for an hour - emphasised that 1986 presented an opportunity for peace that might never return. He warned the Palestinian people that they had to choose between violence and a commitment to peaceful dialogue. Israel would not negotiate with the Palestine Liberation Organisation but Mr Peres said there were responsible Palestinian leaders on the occupied West Bank and Gaza who should join King Hussein of Jordan "on the journey to peace and the negotiating table."

Mr Peres refused to be drawn on threatened Israeli retaliation against those responsible for the airport attacks last month in Rome and Vienna. "We act when we consider it effective," he said. But Mr Peres claimed that terrorism had been a far greater tragedy for the Palestinians than for the people of Israel.

Mr Peres's visit to London is part of an intensified effort to carry the peace process forward with Britain playing a key role. King Hussein left Britain only hours before the arrival of Mr Peres. Mr Richard Murphy, the US assistant Secretary of State, also held talks with Foreign Office officials yesterday, having seen Mr Peres in the Netherlands on Tuesday.

In talks with Mr Peres, Sir Geoffrey Howe said Britain would be ready to participate in an international forum if the right formula could be found. Mr Peres was the guest of Mrs Thatcher at a Downing Street dinner last night and is due to see opposition leaders today and to address the British-Israeli parliamentary group at the House of Commons.

Under the Marshall Plan, the US contributed some \$13bn to the reconstruction of Europe after the Second World War. Israel and Egypt currently receive about \$5bn annually in civil and military aid from the US.

Lebanese pound plummeted, Page 4

£ slides again amid doubts on British policy

Continued from Page 1

forced higher within the next few days. Mr Keith Skeoch, the senior economist at broker James Capel, said a rise in rates of at least 1 per cent was now an "80 per cent probability," while broker Laing & Cruickshank predicted that rates could rise to 15 per cent as early as today. Financial markets will be watching closely the Bank of England's expected operations in the money market later today to get a clearer signal of the Government's intentions. There was some speculation, however, as to whether the authorities would try to resist higher borrowing costs ahead of next week's meeting of officials from the Organisation of Petroleum Exporting Countries.

The concern for the Government might be that an inconclusive result from that meeting could bring a renewed bout of selling pressure on the pound. On the London Stock Exchange, however, share prices benefited from the view that sterling's fall would boost the overseas earnings of many British companies. The FT Ordinary share index rose by 14.9 points to 1,123.6.

THE LEX COLUMN BTR cashes in its policy

The only surprising feature of yesterday's Cornhill Insurance deal is that it was not consummated sooner. Cornhill was on the Allianz shopping list in the US long before the German insurer bid for Eagle Star and, while the failure of that transaction may have soured Allianz against the idea of contested takeovers, it did nothing to diminish the company's appetite for a UK composite insurer.

So, for the past two years, Cornhill has looked the most obvious target. It was almost unique among UK composite insurers in having a single owner and, although BTR has never publicly put Cornhill up for sale, it was clear from the time of the Thomas Tilling acquisition that serious offers would be entertained. Owning an insurance company is no more part of the BTR strategy than holding on to a Mayfair mansion or a publishing house. So it was always possible that Cornhill would follow Crews House and Delaye to become an Allianz subsidiary. During the BTR/Tilling battle, Cornhill would have been available at around £100m - broadly equivalent to the turn Allianz took on its Eagle Star holding. The price announced yesterday was almost twice that, even though Cornhill's profits have been virtually static for the past three years.

For its £300m, Allianz will acquire net assets with a market value of around £200m, premium income which last year totalled £256m, a life business which might be worth £50m on an actuarial basis and pavilion seats at every Test match. The merits of Cornhill are easy enough to discern: its business is concentrated overwhelmingly in the UK, it supplies a ready-made distribution system and is capably managed. It does not, however, give Allianz quite as large a presence as it would wish, particularly in commercial lines. And, as BTR has learnt with Eagle Star, buying market share in the UK is a costly exercise.

The sale must suit BTR down to the ground. It has obtained a good price for a non-core business and, at least as important, has secured a clean deal which enjoys the support of Cornhill's own management. Having clawed back more than two-thirds of the Tilling purchase cost through disposals, Sir Owen Green is understandably sensitive to the suggestion that BTR stands for Buy Tinker Resell. And yesterday's disposal could certainly not be construed as an asset strip.

If BTR achieves its customary return on the reinvested proceeds, the £305m should yield around £70m in place of the £15m or so being earned by Cornhill. In theory, that represents an additional 4p a share of earnings, a boost rapidly reflected in yesterday's 24p rise in the BTR share price to 35p. The sale also makes a marked impact on the balance sheet, which, by BTR standards, is now looking distinctly under-girded. Treating the recent convertible bond issue as equity, which it very soon should be, net debt probably represented no more than 15 per cent of shareholders' funds. BTR has never shown much enthusiasm for issuing paper to finance acquisitions and the group's remarkable ability to reduce debt - it seems only yesterday that the post-Dunlop balance sheet was 100 per cent geared - should mean that the market would tolerate a £2bn takeover funded entirely with cash. The £2bn question is what it will buy.

General Motors' decision to divert a day's cash-flow to the purchase of Group Lotus may not have caused much corporate head-scratching in Detroit; but it is a sobering reminder of the price of UK technology even from such a respected source of expertise as Lotus. Like Lotus (which GM also decided to buy), Lotus has been devilled by an inability to transfer its engineering skills into a firm manufacturing base; and it is interesting that Toyota, which is involved in Lotus's X-100 programme, has shown no evident desire to join the auction to protect the scheme.

It could be that GM is interested in maintaining a small maker of high-class touring cars in Norfolk as it needed another hardy profitable business in Europe; but it is much more likely to have been attracted by the engineering consultancy business, which generates the profits at Lotus. The question must be whether Lotus's other customers will be interested in advice from a captive GM division, whatever the promise of confidentiality; or, for that matter, whether the engineers themselves will want to man a distant garnish of a far-flung empire. GM's offer for Westland (three days' cash-flow) is awaited eagerly.

bring North Sea producers to heel, there is indeed a point in trying to brake the pound's fall by squeezing domestic UK credit. But one consequence of this is that sterling may have to fall some way further. Chartists have presumably given up on the D-Mark rate, since it is already tracing out new contours on the cable rate, however, there is every inclination among traders to try pushing for \$1.30. Should they score more than a momentary success, the apparently free-swinging approach to currency tactics adopted by the authorities this week will have amounted to a major change in the declared policy on inflation. Something probably has to give; it looks like being either the present level of gilt-edged or the long-sought 1986 tax cuts.

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As the sterling depreciation accelerates, it looks less probable that the Government can effect a Bondin-like escape, with no policy change at all. Taking a view that the fundamental problem for sterling is the excess oil supply, exacerbated by Opec's determination to

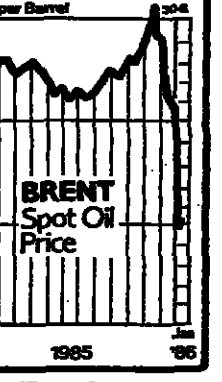
Oslo set to block early output from Statoil's Gullfaks field

BY DOMINIC LAWSON IN LONDON

THE NORWEGIAN Government is to block a request by Statoil, the state oil company, to bring forward by nine months production from a 250,000 barrels-a-day (b/d) oilfield development. The decision by the Norwegian Cabinet, expected today, is the first sign of a rift between Statoil and the Government in the wake of rapidly falling oil prices and Saudi demands that North Sea producers assist the Organisation of Petroleum Exporting Countries (Opec) in stabilising the price. Statoil had asked for production from the Gullfaks 'C' field to start in October 1989 rather than nine months later. Statoil said yesterday that the decision was very important and the earlier production start-up would improve the rate of return of the project by 5 per cent. The official reasons given for the rejection will be that the earlier start-up would lead to unnecessary acceleration of offshore construction work. However, unofficially the Government is keen to deflect Saudi Arabia's anger from the North Sea.

North Sea prices rose by almost \$1 a barrel early yesterday in the wake of reports of a speech by Mr Kaare Kristiansen, Norway's Energy Minister, in which he was alleged to have said that Norway would cut its production, currently running at about 1m b/d, if other producers, particularly Britain, were to do likewise. While Norwegian officials later denied that Norway had any plans to cut its oil output, the speech was clearly an attempt to fix the Opec searchlight on the UK.

makes it natural for us to look in their direction to see what they think of the situation. We are pointing to certain players in the market and saying that primary action must come from them." However, the British position has not shifted over the past 10 weeks as oil prices have tumbled from \$30 a barrel to less than \$20. British officials stress that any cutback in UK output would be appropriated by its revenue-hungry direct competitor, Nigeria. The British officials point out that the tin crisis has illustrated the folly of participating in a cartel and that Norway has more in common with Opec countries than the UK because its economy is much more dependent on oil revenues. The mooted talks between, Sheikh Ahmed Zaki Yamani, Saudi Arabia's Oil Minister, and Mr Peter Walker, his British opposite num-



ber, have still not been arranged and seem certain not to take place before a meeting of five leading Opec ministers in Vienna on February 3. The ministers from Kuwait, Venezuela, United Arab Emirates, Indonesia and Iraq form the committee set up by Opec in December to find a way for the organisation to maintain its dwindling share of the world oil market. In nervous and volatile trading in London yesterday, Brent, the main North Sea crude, was sold for March delivery as high as \$29.50 a barrel before falling back to \$19.40.

French Channel links plan

Continued from Page 1

The French Government is also counting on a much greater inflow of British tourists as a result of the tunnel to offset the adverse economic effects of the decline in ferry traffic. It announced yesterday that a special fund would be created to develop the tourist potential of the northern French coast. The construction phase of the Channel Tunnel is expected to provide work for 15,000-20,000 people. This would provide an economic boost to a region where the unemployment rate of 25 per cent is among the highest in France. The Government intends to provide retaining facilities for those recruited from the area for work on the tunnel or in the jobs expected to result from its construction. Ian Rodger in London writes: The British Government is less concerned about the potential dislocations that the Channel Tunnel might cause. Mr Nicholas Ridley, Transport Secretary, has said that the Government would look sympathetically at any claims of hardship in Kent, but only after the tunnel opened. Kent, the county south-east of London, has three cross-Channel ferry ports. It is also the site of the English end of the planned tunnel. The British Government's view is that it is impossible to predict whether or not there will be any hardship in the next few years. Activity at the ferry ports would continue to grow. The Government has also quietly embarked on a scheme of major improvements in road links in Kent, in anticipation of a doubling of cross-channel traffic by the end of the century, with or without the fixed link.

China hints at imports curbs after record trade deficit

BY ROBERT THOMSON IN PEKING

CHINA has reported a record trade deficit of \$7.81bn for last year and hinted that further restrictions on imports will be imposed unless the deficit is reduced. The figures released by the Ministry of Foreign Economic Relations and Trade, are of doubtful accuracy but highlight China's inability to lift export income. The deficit is, however, small for a country of China's size and creditworthiness. Last year, exports rose by only 5.7 per cent to \$25.5bn, while imports jumped 31.8 per cent to \$33.4bn. The Chinese leadership has said increased exports are the "key" to the modernisation drive because they will pay for technology imports. Trade with Japan, a sensitive political issue, rose by 30.2 per cent, with China's imports from Japan said to be \$10.47bn and exports \$8.1bn. Late last year, Deng Xiaoping, China's paramount leader, indicated that Peking wanted trade

with Japan to be in balance in 1986 after two years of growing deficits. A ministry spokesman said that if the deficit did not improve with countries such as Japan and the US, then China's "ability for international payment" would be affected. The Chinese claim that it recorded a deficit of just \$2bn in 1985 with the US, but that figure is contested by US authorities. The spokesman made clear that China would impose import "restrictions" in the coming year by refusing to issue import licences if Chinese trade officials considered an item to be "outside the state plan" for economic development. He said China was certain to restrict imports of motor vehicles and consumer durables, including colour televisions, refrigerators, and cassette decks - all of which have faced import curbs in the past year - as well as wine, cigarettes and some foodstuffs.

China was aiming to increase the quality and range of its export products, he added, and would be particularly keen this year to import equipment and expertise to achieve that goal. According to the ministry's figures, EEC countries recorded healthy gains in trade with China last year, with an average rise of 24.5 per cent. Trade with West Germany rose 21.9 per cent, with France 36.2 per cent, Italy 25.7 per cent and Britain 20.1 per cent. Trade with the Soviet Union increased by 61 per cent, with China recording a small surplus of \$20m on total trade of \$1.9m. China recorded a deficit of \$1.6bn with West Germany on total 1985 trade of \$2.94bn, a deficit of \$330m with France on \$790m, of \$290m with Italy on \$630m, and of \$530m with Britain on \$1.43bn. China to ease joint venture curbs, Page 6

Pressure grows for Brittan to resign

Continued from Page 1

was concerned unless action is taken by the Prime Minister. The party Whips (managers) are said to have warned Mrs Thatcher of growing back-bench fears that action must be taken soon to stop the growing damage to the Government, and to her personally, from the continued speculation. Moreover, Mr Brittan is said to have fought back, arguing that responsibility for what had happened must be shared with the Prime Minister. The immediate cause of the renewed crisis was the completion yesterday of the Cabinet Office leak

inquiry into who, on January 9, revealed part of the contents of a letter to Mr Michael Heseltine, the former Defence Secretary, who resigned over the Westland affair, from Sir Patrick Mayhew, the Solicitor General. In the letter Sir Patrick accused Mr Heseltine of material insecurity in one aspect of a letter he had sent as part of his campaign for the European consortium which is seeking to rescue the troubled helicopter company in competition with the Sikorsky/Fiat group favoured by the Westland board. The selective leaking was seen as

very damaging to Mr Heseltine and there have since been growing rumours that the culprit was in Mr Brittan's department. In the Commons, Mr Tam Dalyell, the Labour MP, yesterday named Miss Colette Bowe, head of information at the Department of Trade and Industry, as the source of the letter. He urged an early explanation as to whether Miss Bowe consulted the Solicitor General or the people in the Royal Courts of Justice before giving information to the Press Association's newsagency (the recipient of the leak). There was no official response last night.

World Weather

Table with columns for location, temperature, and weather conditions. Locations include Atlantic, Pacific, Indian, and various regional areas.

GM shake-up in Europe

Continued from Page 1

producer in 1982 when it launched into the small car sector for the first time with the Opel Corsa-Vauxhall Nova. That project added 25 per cent to GM's car capacity in Europe and took it into the Spanish market, where the Corsa plant is located, for the first time. Since 1982, GM's share of the Western European car market has risen from 9.6 per cent to 11.4 per cent, and it has joined five other producers - Fiat, Volkswagen-Audi, Ford, the Peugeot-Citroen-Talbot group, and Renault - in an intense struggle for leadership with scarcely 2 percentage points between the top and sixth place.

ation would enable GM to make the best use of the talent it had available in Europe and to introduce much more co-ordination to its car manufacturing operations in Germany, Belgium, Spain and the UK. GM previously made substantial changes to its European structure in the mid-1970s when it gave responsibility for all car design and development to Opel while Bedford in Britain became responsible for commercial vehicles. The group had considerable success with the "J" car, sold as the Opel Ascona or Vauxhall Cavalier, and consolidated its position as a major

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JOBS COLUMN

New attacks on finance-sector pay scramble

BY MICHAEL DIXON

IT IS not only mystics who believe in omens. Many hard-headed business folk evidently think there are certain events which, when they happen, unmistakably signal a crisis in their trade.

An example was supplied by a gentleman called Harry Vos when I asked him about the fortunes of clothing-industry companies some years ago. He said: "You don't need telling life is bad when they're starting to fire the brothers-in-law."

It could be that a similar portentous event has just occurred in the recruitment trade with reference to the pay advantages enjoyed by upper-rank staff in financial institutions over their counterparts in industry.

The differential between the two sectors has apparently been increased lately by the stupendous sums chucked around by deregulation-fueled financial concerns. But whatever misgivings anybody else may have about the trend, there is one set of people who on the face of things might be guaranteed to be uniformly ecstatic about it. Those people are executive search consultants who recruit for banks and such, and whose earnings mostly soar along with the salaries of the people they place in jobs.

So it seems distinctly ominous to find a headhunter—Richard Addis of the Tyack

and Partners consultancy—publicly confessing anxiety about the widening pay gulf.

The divide "is now reaching alarming proportions," he states in the consultancy's latest newsletter. On present trends, even if the Conservatives win Britain's next general election, in this country at least it will not be more than about three years before "the chasm between the City and manufacturing industry will have become so pronounced that it can no longer be tolerated."

What is more Mr Addis suggests that any headhunter who helps to worsen the divide by blithely bidding up the money paid to financial-sector recruits is acting against the national interest. The headhunter "has a responsibility not only to his clients and to his candidates but also a much broader responsibility for the stability of the economy as a whole."

"He should ask himself what effect the acceptance of his proposals is likely to have on the organisation in which the appointment is to be made (are they going to result in an equalising up process that the enterprise could ill afford?), on the individual appointee (is he being priced out of the market for future career steps?), and on the economy (what contribution is he making to another twist in the inflationary spiral?)."

"He is treading on a knife edge and has a difficult task to perform in avoiding, on the one hand, failing to fulfil his client's requirements and, on the other, providing a solution at an exaggerated cost that in the longer term will be in nobody's best interests."

The Jobs Column, at least, says "Hear! Hear!" to those words (except for Mr Addis's use of "he" to typify a trade which includes a good number of women). But while agreeing that grab-all-you-can attitudes among headhunters may partly be to blame for the widening gulf, I feel that greater blame lies with pay-what-they-ask attitudes among finance-sector employers. And the main blame for that in turn surely lies with the general lack of knowledge about the going rates of pay for different kinds of people throughout the sector, which brings me back to the Financial Times initiative first mentioned in this corner of the paper on November 28.

As I said then, it is not everybody who believes that City of London executive-rankers are paid too much for the country's good. Others—who oddly enough seem mostly to hold senior jobs in the City—claim that finance-sector rewards in Britain are too low by comparison with those in other countries for London's standing as an international financial sector. Although the argument

between the two sides is vehement it is at present doomed to generate much more heat than light. For nobody knows what is the real state of pay in the finance sectors of the different countries.

Hence this newspaper's decision to try to provide better information on the real going rates in, as a first stage, three financial centres: Britain, the United States and Hong Kong. In conjunction with the Wyatt group of actuaries and consultants and its US subsidiary the Cole organisation we plan to make regular surveys of pay and perks covering as far as practicable, the entire finance sector in each land.

The individual concerns contributing data to the survey will be safeguarded against prying journalists like me by the consultancy's guarantee to keep secret the sources and fine details of the information it collects and analyses.

Only the aggregate indicators will be given to this column for publication. Not will individual concerns be identifiable in the more extensive survey reports which will be available, in the first instance, at £675 for coverage of all three centres, £550 for London and one of the others, or £375 for London alone.

The initial scheme is to concentrate on six families of job: corporate finance, project

finance, equity sales and research, fund management, bond trading, and foreign exchange and currency dealing. In each case the aim is to supply a full range of indicators of the pay and perks prevailing at the main levels of work from the head of the particular family downwards.

Frank Barlow, the FT's chief executive, is sending invitations to take part to the heads of some 300 banks of all kinds and stockbroking concerns based variously in the three centres. The hope is that enough of them will agree to provide data quickly enough for the first reports to be produced in April. But as there may be organisations interested in taking part which we have not yet identified, anyone wishing to know more need only write to me and I will duly take their inquiry upstairs — on a silver salver, of course.

not to be identified to his client at this stage. Candidates should already be at least senior dealers successful in specialising in the world's money markets as well as enterprising and adept at working in a team.

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Kuwait

WHILE we are talking about finance-sector work, some readers may care to know that recruiter Dudley Edmunds of the Roger Parker Organisation seeks someone to work in Kuwait as chief dealer — central money desk of a Middle East bank with international branches. As he may not name the employer, he promises to abide by any applicant's request

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INTERNATIONAL BANKING

FINANCIAL CONTROLLERSHIP Capital Markets/Treasury £19,300/ann

Our clients are among the largest and most successful banking institutions in the world. One is an aggressive Treasury/Merger group. They are creating specialist financial management positions with full autonomy and reporting responsibilities. Considerable emphasis is placed on cross industry relationships with full trading powers. Candidates should be qualified Accountants, with at least 2 years' experience with a financial institution. They will have management experience and knowledge of these particular sectors. The attraction of each opportunity and development of large and important profit centres within these organisations. Contact: Keith Byrne

CREDIT MANAGER c. £18,000 + Car

Our client is the leading subsidiary company of an international banking group in the City. At least 10 years' experience as a Credit Manager aged 30-35 years is required with a strong reputation gained with a major financial institution or the world's largest group of an international bank. Formal U.S. Credit training will be a distinct advantage. Contact: Leslie Squires

SWAPS MARKETING c. £60,000 + bonus

Our client is a prime U.S. investment house and a market leader in international corporate finance. Its product base has been expanded to include the provision of currency swap services and they now require an additional Swap professional to manage this service. Candidates should have a minimum of 3 years Swap marketing experience, with a proven track record. This is a genuine time salary and excellent performance bonuses. Contact: Sarah Beckett

FUND MANAGEMENT EQUITY & FIXED INCOME £25-30,000

The client is a major investment bank going up to limit management capacity. After obtaining the size of its fixed income fund last year, there are several gaps for large young Fund Managers, probably aged mid-20's, working greater scope across the Fixed Income and Currency markets. The Fund's fund manager in equities is a highly successful and well respected individual, possibly with a U.S. specialty. Salary and bonus payments should provide excellent relative for those who had their salary in six property market. Contact: Sarah Beckett

U.K. MARKETING (Merchant Banking) c. £30,000

Our client is a prominent European bank, long established in London and throughout Europe. An opportunity is available for a U.K. based person to develop the bank's merchant banking services. The position is available in a leading City office. The successful candidate will be a Chartered Accountant, with a minimum of 3 years' experience in a leading City office. The successful candidate will be a Chartered Accountant, with a minimum of 3 years' experience in a leading City office. The successful candidate will be a Chartered Accountant, with a minimum of 3 years' experience in a leading City office. Contact: Kim Anderson

LAWYERS £18-30,000

As a result of current developments in both investment and commercial banking, a number of interesting opportunities are available for legal professionals. The candidates should be qualified Solicitors, who possess a minimum of 3 years' experience in a leading City office. The successful candidate will be a Chartered Accountant, with a minimum of 3 years' experience in a leading City office. The successful candidate will be a Chartered Accountant, with a minimum of 3 years' experience in a leading City office. Contact: Neil Anderson

MOVE INTO MERCHANT BANKING to £25,000

This high profile role will suit a young, U.S. trained commercial banker working in a leading City office. Our client is a prime merchant bank whose success is well known throughout the world. The position will involve regular contact with senior personnel throughout the bank. Suitable candidates, with at least 2 years' post qualification experience, should possess demonstrated commercial banking skills in communication and team management. Contact: Felicity Hether

HEAD OF AUDIT £25-30,000

This major international bank will be appointing a Chartered Accountant to head up their audit control team. Responsible overall for controlling the audit plans and ensuring compliance of their London office, the position will involve regular contact with senior personnel throughout the bank. Suitable candidates, with at least 2 years' post qualification experience, should possess demonstrated commercial banking skills in communication and team management. Contact: Felicity Hether

Anderson, Squires Ltd., Bank Recruitment Specialists 127 Cheapside, London EC2V 6BU 01-588 6644 Anderson, Squires

Traded Options Institutional Salesman

In 1985 volume on The London Stock Exchange's traded option market doubled — but the real growth lies ahead.

Closely involved in the creation and current activities of this lively sector, Sheppards and Chase — who also participate in overseas options markets — are looking for an additional salesman to join their institutional options team.

The successful candidate will be numerate and quick witted; in her, or his, mid-twenties with stockbroking or institutional experience.

Full training will be given. A competitive salary is being offered.

Please write to: Sheppards and Chase Charles Williamson, Sheppards and Chase, Clements House, Greenham St, London EC3V 7AU

SENIOR PLANNING OFFICER

c£22,000

International Banking

Standard Chartered Bank is one of Britain's largest international banks with gross assets exceeding £26,000 million and more than 2,000 offices in over 60 countries.

We wish to recruit an experienced planning officer to join the Group Development Department in our Group headquarters in Bishopsgate.

As one of a team, this post will be responsible for monitoring changes and developments in the Group's operating environment, identifying and reviewing strategic issues that affect the future development of the Group and co-ordinating the Group's planning process at corporate and regional levels. The job will require close liaison with senior

management of the Group, other headquarters departments, overseas administrations and outside organisations.

The ideal candidate will be aged around 30 years, will have a relevant professional qualification, and/or an MBA, and will have gained considerable experience with PC integrated software applications in the field of strategic planning.

Remuneration will be c£22,000 plus a car, and the usual generous banking benefits. Good prospects exist for the right candidate.

Please apply, with a comprehensive c.v., to Peter Barnes, Recruitment Officer, U.K. Personnel Services, Standard Chartered Bank, 38 Bishopsgate, London, EC2N 4DE.

Standard Chartered**IFM****INTERNATIONAL FINANCIAL MARKETS
TRADING LIMITED****FOREIGN EXCHANGE TRADER**

IFM Trading Limited is a new and independent company active as a principal in many of the major world financial markets. The firm wishes to recruit an experienced trader to work in our Foreign Exchange/Commodities Group, taking day-to-day responsibility for a number of trading positions. Applicants should have a sound knowledge of the foreign exchange markets and their options' and futures' derivatives. Quantitative skills and practical knowledge of personal computers are a basic requirement.

This is a senior position and will offer an attractive salary and share option package. Applicants should contact:

J-F. Buisseret, Deputy Managing Director
IFM Trading Limited
1 Finsbury Avenue
London EC2M 2PA
Telephone: 01-247 4311

**Tourism
Development**

The English Tourist Board is the development agency for tourism in England and provides a unique bridgehead between the commercial and public sectors. Massive investment is required to take the English tourist industry into the 1990's. The Board offers a full range of development and consultancy services in addition to arranging finance, including grants, for selected projects.

For those wishing to establish or extend a career in tourism and leisure, the Board now has a number of opportunities.

Head of Product Development
up to £20,000

The function of this senior post is to identify and promote development opportunities and to provide advice to UK and overseas commercial developers.

Product Development Officer
up to £15,000

Concerned with new product development and research, including involvement in commercial advice and consultancy.

2 Project Managers
up to £15,000

Management of two professional teams responsible for providing a prompt and efficient appraisal and advisory service for developers seeking financial assistance from the Board.

Management Services Manager
up to £15,000

Management and development of the recently created projects intelligence system which operates on micro-computers and controls the administration of the Board's Grants Scheme.

These are demanding posts which call for well-motivated individuals capable of producing results in a fast-moving professional environment. Priority will be given to graduates or those with relevant professional or commercial experience. For further information and an application form, contact: Chris Addison, The English Tourist Board, Thames Tower, Blackfriars Road, London W6 9EL. Telephone 01-846 9000 ext 2925. Closing date for return of forms is 7th February 1986.

**EXECUTIVE
JOB SEARCH**

Are you earning over £20K and seeking a new job?

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The Executive Job Search Professionals

FINANCE AND ADMINISTRATION MANAGER UK

UTA FRENCH AIRLINES (Europe's largest independent airline) wish to hear from applicants for the above position (based in London) which becomes available in the 2nd quarter of 1986.
Requirements: Aged 30-40 having thorough knowledge of accounts, administration, budgeting and personnel functions in the travel industry with ability to apply these to 4 U.K. offices and 45 staff. Fluent written and spoken French. Full working knowledge of micro computers.
Reporting directly to the General Manager, the successful applicant will receive a salary of up to UK£ 20,000 subject to fulfilling the above criteria. Additional benefits: contributory pension plan; BUPA; travel concessions.
A training course in Paris will be offered.

Apply in confidence with full C.V. to:
The General Manager
UTA French Airlines
146 Piccadilly
London W1Y 9DE

**punjab national bank**

Punjab National Bank - public sector bank with Headquarters in India, requires for its provincial branches in U.K. at Wolverhampton, Birmingham and Gravesend, senior level officers/branch managers to act as independent branches of these branches.
Persons in the age group of 35-50 years, and permanently resident in U.K., holding a degree from a recognised University or equivalent qualification from a recognised institution in the U.K., with five years experience as an officer in a bank, may apply giving details of their curriculum vitae and salary expected. Upper age limit is relaxable in the case of highly experienced persons. Knowledge of Hindi/Punjabi desirable.

Interested candidates may contact Mr. D. K. Malhotra, Manager
Tel: 01-638 6311 latest by 27th January 1986
for arranging an interview on 28th January 1986
Punjab National Bank
Moor House, 119 London Wall, London, EC2Y 5HL

**Gilt Edged Sales
London**

As part of the continuing expansion and development of our gilt edged primary dealership, we now have further opportunities in gilt edged sales. Successful candidates will join an established department which has recently been enhanced by the recruitment of a highly respected team of UK and international economists.

Goldman Sachs is a recognised primary dealer in the new gilt edged market, and will trade through its wholly owned subsidiary, Goldman Sachs Government Securities (UK) Ltd. As a leading investment bank, we are an established force in fixed income markets worldwide. We are one of the top primary dealers in the US Government market and it is our objective to provide a similarly high standard of service in the gilts market.

Applicants should be aged 24 - 35, with a minimum of two years' experience in the gilt edged or sterling fixed interest markets. This may have been gained with a Stock Exchange member firm or as a fund manager in the investment department of a UK institution. Essential qualities are high professional standards,

strong presentational skills and a determination to achieve excellence.

This is a unique career opportunity for individuals of the highest calibre to contribute to the development of a new business. We offer an outstanding salary, bonus and benefits package which reflects the importance of these positions.

For an initial discussion in complete confidence please write to:-

Fixed Income Sales Manager, Goldman Sachs International Corp, 5 Old Bailey, London EC4M 7AH. Or telephone 01-248 6464 and ask for either Rod Barr or David Bennett.

Goldman Sachs

Uncommon Capacity

Bank of Tokyo International Limited

This expanding international bank provides a wide range of merchant banking services with increasing activity within the Capital Markets area.

We now need:

**EUROBOND TRADING
AND SALES**

- Due to continued development within our Capital Markets Division opportunities exist for FRN and fixed-rate traders and Eurobond sales people.
- A minimum of 1 year's dealing experience is required.

**DEPUTY HEAD
BOND SETTLEMENTS**

- To handle all administrative, processing and accounting aspects of the Eurobond operation and to deputise for the department head.
- Significant and proven settlements experience essential.

**MARKETING
OFFICER**

- For corporate banking section to develop and market the department's services to existing and potential UK corporate clients.
- Ideally a graduate with minimum of 2 years' experience of direct marketing of a varied banking product range and of credit analysis.

Competitive negotiable remuneration packages including full banking benefits are available for each of the above vacancies which will be specially tailored to each individual.

Please apply in writing with full CV to: The Personnel Manager,
Bank of Tokyo International Limited, 20-24 Moorgate, London EC2R 6DH.

A member of the Bank of Tokyo Group.

**Marketing Consultancy
-A Challenging Career**

Marketing Improvements Limited is the largest, independent, specialist marketing consultancy and training firm.

Our British and international clients in the financial, leisure and service industries demand the very best advice across the spectrum of marketing, diversification and feasibility studies, strategic and tactical marketing, improving the effectiveness of marketing/sales operations, organisations and systems, and the development of all levels of management.

If you - know that your real interest lies in analysis of business situations or in the application of good marketing practice

- seek greater job satisfaction through seeing your work achieve results for a variety of clients, including many European industry leaders.

If you - have experience in marketing, corporate planning or financial analysis.

- have a degree and, perhaps a banking, accountancy, insurance or marketing qualification

- have the experience and authority necessary to work with senior management.

If your career will benefit from:

- the challenge of helping a stimulating variety of companies to improve their effectiveness

- realising your analytical ability or creative potential

- getting ten years marketing experience in four

THEN just telephone or write to John Lidstone at the address below.

The starting salary is up to £25,000, plus car, pension, health insurance and excellent profit sharing scheme.



Marketing Improvements Limited

Ulster House, 17 Ulster Terrace, Regents Park
Outer Circle, London NW1 4PJ. Tel 01-487 5811

Member of UK Management Consultants Association

UNIVERSITY OF BRISTOL

**HEAD OF
INDUSTRIAL
LIAISON OFFICE**

The University offers an important, challenging and rewarding appointment to establish and head a new Industrial Liaison Office. The University, with a total turnover of approximately £50m p.a., possesses a very extensive range of skills and expertise among its staff and has excellent research facilities available. There is great potential for offering services required by industry.

The main responsibilities of the post will be to increase the considerable volume of work already carried out for commerce and industry, to assist in the commercial exploitation of inventions and to advise members of the University on contracts, patents and similar matters. The person appointed will be directly responsible to the Vice-Chancellor, Sir John Kingman.

The successful applicant is likely to have relevant marketing and industrial experience and contacts. He or she should also have, or be able rapidly to acquire, an understanding of relevant scientific and technical knowledge. The initial salary will not be less than £19,000 p.a. together with a bonus of up to half salary calculated on the net income generated by the appointment. The appointment will be for an initial period of five years and will be expected to cover its costs from the additional income it generates.

Further particulars available from the Registrar and Secretary, University of Bristol, Senate House, Bristol BS8 1TB, to whom applications are to be sent by 28th February 1986. Please quote reference JH/PM/C.

**FLEMINGS
INVESTMENT
ADMINISTRATION**

Due to Flemings expansion there are a number of vacancies for Accounts Supervisors to assist in the day to day administration of clients portfolios. Applicants, preferably aged 20-30, should have relevant experience gained with a stockbroker, bank or similar institution. Applicants of either sex should write enclosing their C.V. to:

Frank Smith,
ROBERT FLEMING & CO. LTD.,
8 Crosby Square,
London EC3A 6AN.

Jonathan Wren

Fixed Interest Fund Management To £40,000

Our Client, a Major British Merchant Bank, seeks to expand its team of Fixed Interest Fund Managers. The Portfolios are both Institutional and Private Client based. Applications are therefore invited from those candidates aged 28-35 years, who possess a marketing, as well as a purely investment background.

Contact Mark Forrester.

Credit Analysts £15-£30,000

For the greater part of 1985, and certainly the beginning of 1986, we have accepted many new vacancies for experienced Credit Analysts. Our Clients are predominantly International or Merchant Banks, based in the City, who wish to expand their Credit/Marketing Divisions, due to the generation of new business by active marketing programmes. Some positions will need to utilise credit knowledge, hopefully, including formal and/or US Credit training, to assist in the efficient assessment of new propositions, whilst others offer the possibility of becoming closely involved in Client contact. Salary ranges and age differentials vary, due to the number of positions available.

Contact Richard Meredith or Trevor Williams.

Young Graduate ACA's £18-£22,000

We have been requested by a Major International Merchant Bank to assist in the expansion of its teams in the following areas:-

- Corporate Finance
- Currency Swaps
- Management Accounting
- Investment/Capital Markets

Applications are therefore sought from highly motivated, ambitious ACA's in their mid to late 20's. These positions offer excellent career progression, and the opportunity to participate in these exciting Merchant Banking activities.

Contact Brian Gooch or Peter Haynes

Foreign Exchange Dealers £Negotiable

Our Client, a Major International Bank, having achieved substantial growth in their World wide business relations, now wishes to expand their Dealing Room activities in a variety of specialist areas. Applicants with specific expertise in Spot, Forward, Corporate or Money Markets are invited to apply for the above positions. Salary will not be a restricting factor for those applicants possessing the necessary expertise and potential.

Contact Trevor Williams or Richard Meredith.

All Applications will be treated in strict confidence.

SYDNEY

Jonathan Wren

HONG KONG

Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

GILT-EDGED SALES

(Age 21/25)

The Merrill Lynch Gilt Department require a junior gilt-edged sales person to complement its present institutional sales force. It is anticipated that suitable applicants will be graduates in economics or a related subject area.

Experience of one to two years in the gilt market would be an advantage but is not an essential prerequisite.

All applications will be treated in the strictest confidence.

Please reply enclosing a C.V. to:

Gilt-edged Sales
3rd Floor
Merrill Lynch House
27 Finsbury Square
London, EC2A 1AQ

Merrill Lynch

FOREX APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency
TERENCE STEPHENSON
Prince Rupert House
9-10 College Hill, London EC4A 1AS
Tel: 01-228 0223

UK Corporate Banking

A vacancy exists for an exceptional individual in this expanding department of a leading Merchant Bank. In the department we draw upon the bank's established expertise in a whole range of financial instruments in order to develop, market and negotiate facilities for the bank's UK corporate customers. The facilities span a wide spectrum ranging from traditional acceptance credits to RAFTs, management buy-outs and structured specialised trading facilities.

The successful candidate aged 25-30, will have a good degree and:-
(i) a professional accounting or legal qualification, or
(ii) a thorough technical grounding in UK banking law and practice with at least two years' practical banking experience.

We shall be looking for a proven record of creativity and thoroughness, and the ability to work as a member of a small team in a vibrant business environment.

We offer a competitive salary and a benefit package that includes subsidised mortgage, BUPA, non-contributory pension scheme and free life assurance.

Applicants should write, in confidence, with full personal and career details to:-
Gareth Hughes, Assistant Manager-Personnel, Kleinwort, Benson Limited,
20 Fenchurch Street, London EC3P 3DB.

Kleinwort Benson

The International Merchant Bank

International Management Consultancy Marketing Support

London based
up to £22,500 + car

Price Waterhouse is a leading international business advisory and management consultancy organisation. The consultancy practice's Marketing and Technical Support Group is strengthening its resources to meet both current and future information demands, particularly in respect of the firm's overseas markets.

The main function of this newly restructured role is to provide support to partners and consultants' overseas marketing activities, especially in relation to the internationally funded market place. Apart from the provision of general marketing support,

increasing emphasis is being placed on establishing and maintaining contacts with various international financing organisations; monitoring opportunities for international consultancy work and initiating appropriate action; as well as developing contacts with specialist consultancy organisations.

Candidates, aged up to 40, should be graduates or possess a suitable professional qualification, and have significant exposure to the international market place for management consultancy services. Experience and knowledge of international financing

organisations is essential. Our remuneration package consists of a negotiable salary, plus company car, BUPA and pension scheme. There are opportunities for personal advancement.

If you are interested send in confidence, full personal details and career history quoting reference MCS/8042 to: Peter Humphrey
Price Waterhouse
Management Consultants
Southwark Towers
32 London Bridge Street
London SE1 9SY

Price Waterhouse



WE TEMPER OPTIMISM WITH REALISM.

THAT'S YOUR ROLE AS AN INVESTMENT CONTROLLER

Investors in Industry plc is at the leading edge of venture capital investment. Taking risks that others may not be prepared to, but always spending time first to ensure that a creative idea is not just a "castle in the air".

We are an informal but hardworking organisation whose growth now makes it possible to increase our base of investment controllers at our locations in Newcastle, Liverpool, Brighton, Bristol, Cardiff and Aberdeen.

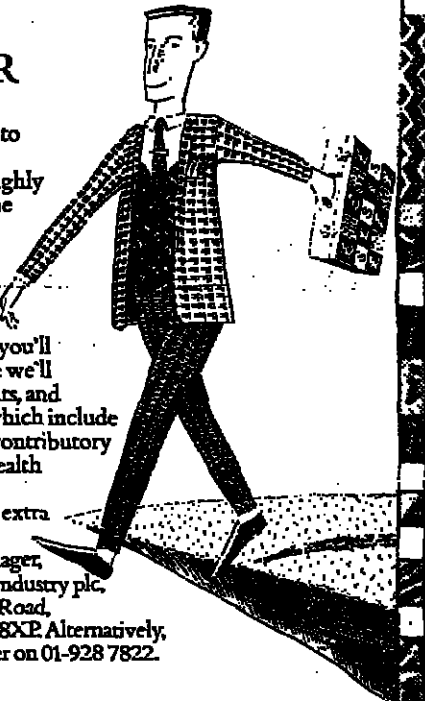
You must be a fully qualified chartered accountant, hold an MBA or have several years' outstanding achievement in

business to make the grade. In addition to exceptional analytical skills and strong commercial awareness you will have highly developed communication skills and the ability to assess people accurately.

In short, business optimism

untempered by realism. Of course, we know better than anyone how important the correct environment is for success. That's why you'll find us flexible about the salary package we'll offer in return for your accomplishments, and generous when it comes to benefits - which include low cost mortgage, company car, non-contributory pension scheme and medical health insurance.

If you're looking for that extra challenge, send your cv to Kathleen Rawle, Personnel Manager, Investors in Industry plc, 91 Waterloo Road, London SE1 8XE. Alternatively, telephone her on 01-928 7822.



3i

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Regional Credit Insurance Executive

The South East region of Bowring UK Ltd has locations in Romford, Milton Keynes, Slough and Hitchin, with an annual income revenue in excess of £4 million. We now need to appoint a Credit Insurance Executive to be based at Romford. The responsibilities of the successful candidate will be to manage and develop the comprehensive Domestic and Export Credit Insurance activities of the company in this region.

Applicants must be able to demonstrate success in placing business in the Credit Insurance Underwriting Market, as well as the ability to produce new business.

This is an excellent opportunity to develop your career in Credit Insurance within one of the United Kingdom's leading Insurance Brokers. Salary will reflect ability and experience. A company car will be provided plus other fringe benefits.

Applications in writing with full c.v. should be sent to: Miss J. A. F. Massey, Recruitment Manager, C. T. Bowring & Co. Ltd., The Bowring Building, P.O. Box 145, Tower Place, London EC3P 3BE.

Bowring

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QUANTITATIVE INVESTMENT TECHNIQUES

Barings' Investment Group, which has over \$9 billion under management, is currently embarked on a programme to implement quantitative approaches to investment and has created a special team for this purpose. The approaches include screening techniques for equity selection, portfolio optimisation and risk analysis, and the development of a variety of passive and quasi-passive investment strategies. To handle these operations it has set up a Local Area Network of IBM Personal Computers.

These activities are rapidly expanding, and an additional team member is now sought. The successful candidate will be numerate, (although with a degree not necessarily in a mathematical subject) and will almost certainly be used to working with personal computers. He/she will probably have some experience in security investment, and would certainly be encouraged and expected to extend knowledge and understanding across the broad field of investment and would be given training to develop this.

Salary will be a.a.e. and other benefits include mortgage subsidy, non-contributory pension scheme and BUPA membership.

Please send C.V.'s to:

Miss E. Williams,
Baring Brothers & Co. Limited,
8 Bishopsgate, London EC2N 4AE.

Trade Finance

BUSINESS DEVELOPMENT

We are a successful and profitable Trade Finance Company within an International Trading and Financial Group.

An impressive growth record over the last three years has created the need for a proven business-getter. Reporting to the Managing Director and aged between 25/40 years the selected candidate would join a small team to market a range of trade related financial services with particular emphasis on the U.K. market. We are committed to high business levels in this area which should offer a busy and rewarding environment for the right executive.

The remuneration package will provide normal major company benefits, together with a performance related bonus.

Apply in writing with comprehensive C.V. to:-

Box A0036, Financial Times, 10 Cannon Street, EC4P 4BY

CAPITAL MARKET SPECIALISTS

We would be very interested to hear from Executives with proven Capital Markets experience in Sales or Trading of all relevant (Fixed/FRN/Convertible) instruments in the major currencies.

At Zarak Hay's new offices, we will be available to discuss with you the many opportunities existing in this continuing growth area.

Zarak Hay Associates Ltd

For a discreet and informal discussion, please ring Jim Adams (Director) on 01-638 9205 or 01-628 0494, or write to him at Zarak Hay Associates Ltd., Banking and Financial Recruitment, 6 Broad Street Place, Bloemhof Street, London EC2M 7JH.

International Banking Export Finance City

£23,000 + Car

The Bank can demonstrate an impressive record of growth and performance within both Wholesale Commercial and Investment Banking and is one of the twelve largest British Banks. The expansion of its activities across this broad front has led to the need for a further specialist to join an already well established and successful team operating within a growing sector of the market.

Reporting at a senior level, you will play a key role in co-ordinating, advising and negotiating on a variety of export/trade finance packages.

Lloyd Chapman Associates

This calls for a good knowledge of Trade and Documentary Credits, Letters of Credit and Project Finance gained within a banking or confirming house environment. Experience of commodity finance and knowledge of Middle/Far East countries could be highly advantageous.

Aged 28/35 you should be looking to widen your horizons within a major institution which can offer scope for advancement.

To apply, please telephone or write to Brian Burgess quoting Ref: BB061.

International Search and Selection

160 New Bond Street, London W1Y 0HR. Telephone: 01-408 1670.

APPOINTMENTS ADVERTISING appears every THURSDAY at £41.50 sc cm

for further information contact

Louise Hunter on 01-248 4864

or

Trevor Punt on 01-236 9763

FIXED INTEREST SALESPERSON

Laing & Cruickshank wish to recruit a fixed interest salesperson. The chief requirement is at least five years experience in this field. As well as normal institutional dealings, the job also comprises an important liaison role with our Corporate Finance department. It is intended to develop this part of our business and consequently this job represents a first class opportunity.

The total remuneration package will include a salary related to experience and ability, as well as a profit sharing scheme.

Applicants are asked to write with full details to:

Mark Evans,
Laing & Cruickshank,
Piercy House, 7 Copthall Avenue,
London EC2R 7BE

A PART OF THE INTERNATIONAL FINANCIAL GROUP

CHEMICAL BANK FOREIGN EXCHANGE

SENIOR SALES

This is a unique opportunity, offering excellent career prospects, to join a highly successful and respected team.

An excellent compensation package including bonus scheme is offered. Please write enclosing details of experience and qualifications to:

- Successful applicants should:
- Have at least 3 years F.X. sales and/or trading experience.
 - Be highly motivated and performance orientated.
 - Ideally have a second language.
 - Be a team player.

Stuart Main
UK Personnel Manager
Chemical Bank
180 Strand
London WC2R 1ET

OIL REPORTER

Specialist oil market publisher requires a head for its Atlantic products reporting team. Good understanding of the spot oil market essential. Previous experience of major oil company or oil trading useful. Salary around £20,000 a year plus bonuses and other benefits.

Please write with c.v. to:
Adrian Binks
Petroleum Argus Ltd
Star House
104/106 Graston Road
London NW5 4BD

HEADHUNTERS Head of Research

D.A.L. Group require a senior and experienced Researcher. Knowledge of the City is essential.

We are looking for someone who will enjoy working with a team of successful headhunters. An above-average reward is available for the successful candidate.

Apply in strict confidence to Clive Blomfield-Smith.



Directorship Appointments Limited

7 Cavendish Square, London W1M 9HA. Tel: 01-637 3171

International Investment Banking Operations Staff

Owing to steady expansion in capital market activities - particularly in the areas of interest/currency swaps, bond trading, asset sales and loan syndication - there currently exist a small number of opportunities to join Manufacturers Hanover Limited in the following areas:

Bond Settlements

You should have 1 to 2 years' experience within an active bond processing and management information area. 'A' levels or a degree essential.

Loans Agency/ Interest Rate Swaps

Ideally a graduate, you should have completed your AIB and have 1 to 2 years' general banking experience.

Both activities are central to our success and call for ambitious career-minded people. We have a consistent record of internal promotion.

A competitive salary will be offered, together with a generous benefits package including low interest mortgage facilities. Please send a full c.v. to The General Manager - Personnel, Manufacturers Hanover Limited, 7 Princes Street, London EC2P 2EN.

M MANUFACTURERS
HANOVER
LIMITED

Switzerland Capital Markets : Corporate Finance Major U.S. Bank

A prime American Bank with a strong presence in the international capital markets is keen to develop further its activities in Switzerland. The role will encompass the initiation and completion of transactions across a variety of fields including new issues, swaps and private placements. A close working relationship with the bank's international corporate finance team is essential and the successful candidate is likely to be based in London for an introductory period.

Applicants, probably aged 27-35, must be Swiss nationals and will ideally have at least four years' experience in the buy-side team of a major international bank, either in London or Zurich. Familiarity with a broad product range is desirable and the ability to win mandates and execute deals is essential. Alternatively, candidates may be working in the Treasury department of a major Swiss-based corporation and possess the personal strengths to succeed in the banking environment.

The salary package will be attractive and is fully negotiable according to the degree of candidate's experience and abilities.

Applications should be made in strictest confidence to Christopher Smith on 01-404 5751, or write to him, enclosing a detailed curriculum vitae and quoting reference 3589, at Michael Page City, 39-41 Parker Street, London WC2B 5LH.



Michael Page City
International Recruitment Consultants - London Brussels New York Sydney
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MERCHANT NAVY PENSIONS ADMINISTRATION

UK Equities Portfolio £500m

DEPUTY MANAGER

MNPA is responsible for the investments of the Merchant Navy Officers Pension Fund and the Merchant Navy Ratings Pension Fund. Total assets are in excess of £1.4bn. We need additional staff for the investment team based in our Old Broad Street offices in London.

We currently seek a Deputy Portfolio Manager on the UK equity side where funds now amount to around £500 million. He/she is likely to have a degree or professional qualification and appropriate experience with an investment institution or stockbroker would be an advantage for the right person. Remuneration will be competitive.

IF YOU ...

- have a flexible and less orthodox approach to equity investment generally
- have an individualistic approach to company analysis
- like to generate original ideas and see them carried out

and would like to join a motivated and successful team where the contribution made by each member really does matter, write now with brief cv to:

Mr J M Bird, Secretary - MNPA
Aahcombe House, The Crescent
Leatherhead, Surrey KT22 8LQ

New Business Managers Corporate Finance

... for a Finance House subsidiary of
a major international bank

to £17,000 + bonus + banking benefits
Birmingham & London

Our client is a successful and expanding company, with a portfolio of Hire Purchase and Leasing finance for "medium ticket" plant, equipment and vehicles.

Planned expansion of the business has created opportunities for two new Business Managers - one for Birmingham and the other in London based in Redhill, Surrey.

Candidates, aged 28 to 35, should have a proven track record in the industry and the ability to market using their own initiative. A sound knowledge of accountancy and taxation trends is essential in order to readily interpret customer requirements.

Salary will be up to £17,000 dependent on ability and experience. Excellent banking benefits include mortgage subsidy and non-contributory pension scheme.

Please write with full details. These will be forwarded direct to our client. Please list separately any companies to whom your application should not be sent. M. Hordern ref. B. 2285.

These appointments are open to men and women.
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Pension Fund Marketing

Our client is an independent fund management group with a strong investment track record and an established reputation.

It is now seeking to increase its share of pension fund business and is looking for an outstanding individual to promote the group's services to pension funds, actuarial consultants and other advisors. You will be supported by the Marketing Director and other key executives.

Ideally you should have a proven track record in marketing and a thorough understanding of investment matters. Strong communication and presentation skills are essential and existing contacts in the pension fund field would be a considerable advantage. This is a senior appointment and remuneration, which will include a performance related bonus, will not be a limiting factor. If successful there will be an opportunity to participate in equity.

Please telephone or write in confidence to John Cameron, quoting ref. CF501, at 11 Gough Square, London EC4A 3DE (telephone 01-583 3911).

**Chetwynd
Streets**

Management Selection Limited

FUND MANAGER

Age 30 - 45

c. £35,000 + Benefits

City of London

A major investment institution requires a qualified Fund Manager for its London Office. Candidates must have a good degree in an economics or business-related discipline and at least five years' experience of managing a discretionary portfolio of Equities and Bonds in the UK markets. A relevant professional qualification is desirable and considerable importance is attached to sound international experience.

Salary is negotiable and there are attractive fringe benefits including a mortgage interest subsidy.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2351 to W.L. Tait, Executive Selection Division.

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The Business Partners**

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The Administrator,
Ref CV/1
35/37 Fitzroy Street,
London W1P 5AF enclosing a brief career summary.

LONDON 01-580 8771 NOTTINGHAM 0300 37811
BIRMINGHAM 021-643 8102 GLASGOW 041-332 1502
BRISTOL 0272 22367 BELFAST 0282 821824
MANCHESTER 061-228 0089

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National Australia Bank

DEALERS

Due to expansion vacancies exist for the following positions:
Foreign Exchange Spot S/D/MX Dealer with at least two to three years' active trading experience in a major currency and with a proven track record to complement existing spot trading section.

Financial Futures Trader to establish an active trading desk and must therefore be conversant with all aspects of the futures market including FRAs. Some knowledge of currency options would be an advantage.

Applicants should be between 23 and 27 years of age. Salary/benefits commensurate with experience.

Written applications will be treated in confidence and should be addressed to:

Manager - Personnel
NATIONAL AUSTRALIA BANK LIMITED
6/8 Tokenhouse Yard, London EC2R 7AJ



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plus Company Car

An experienced Financial Consultant is required to undertake a wide range of financial projects, including venture capital and development finance.

The successful candidate is likely to be a qualified accountant or a graduate with a relevant degree. The essential requirement is successful experience covering the funding of a wide variety of projects.

Stanhope House 110 Drury Lane
London WC2B 5ST

Williams de Broë

GRADUATES

We are a London firm of stockbrokers, shortly to become majority but not wholly owned by a European bank. Providing services to the Private Client has always been important to us. We are now further expanding this activity and are seeking good honours graduates with an interest in the City to become Account Executives.

Attractive remuneration packages are available but, more importantly, this is a career opportunity for self-motivated individuals.

Apply in confidence to:

P. W. Clarke, Chief Executive

Williams de Broë Hill Chaplin & Company Limited, Pinners Hall, Austin Friars, London EC2P 2HS.

Financial Analyst

Lazard Brothers & Co., Limited, an international leading merchant bank, is seeking an experienced analyst to join its expanding Capital Markets Group.

Candidates, who need to be able to demonstrate considerable flexibility, must possess a thorough knowledge of fixed interest and bond mathematics and have experience of rapid computer modelling techniques, preferably using Lotus 1-2-3.

Previous experience in a corporate finance environment, together with practical knowledge of fixed-income investments, international taxation, actuarial requirements and foreign exchange would be a distinct advantage.

Salary and bonus will be commensurate with success as well as a comprehensive benefits package.

Please write enclosing full curriculum vitae, to Mrs. Cusack,

Lazard Brothers & Co., Limited

21 Moorgate, London EC2P 2HT

Development Capital

City Based

£Neg

Our client is the investment banking subsidiary of a significant International Bank with a well established London presence.

The UK Development Capital team, which is based in the City, now requires a suitable executive for its continued growth.

The successful applicant will have a relevant professional qualification, will have spent two to four years in the Development Capital field and be able to demonstrate entrepreneurial flair and excellent interpersonal skills.

The remuneration package will be attractive and will include normal banking benefits.

Interested applicants should write, enclosing a detailed curriculum vitae to Neal Wyman BSc ACA, Manager, Corporate Finance Division, 39-41 Parker Street, London WC2B 5LH or telephone him on 01-404 5751 quoting ref. 0208.



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Solicitors

Move into Banking and move faster

If you are finding the pace of your progress as a Solicitor frustratingly slow, investigate a new application for your personal and professional skills. An application within a major US commercial bank whose broad customer base comprises public and private companies within entrepreneurial rapid growth industries.

We are looking for a Solicitor with 2-3 years' experience working on sophisticated corporate financial transactions within a medium to large law firm, to join our City office as a Commercial Banking Officer.

We will train you rigorously for the role. Following an introductory period in our London branch, you will relocate to our US Head Office in June 1986 for 9-10 months' concentrated exposure to the theory and practice of US banking, accounting and corporate finance. Returning to London in Spring 1987 and assuming significant responsibility immediately, you will be expected to quickly demonstrate the skills of an innovative, commercial banking professional.

It is a challenge you can meet with confidence if your creativity and accomplished communication skills are backed by financial aptitude and the ability to work well in a team environment. Legal experience in acquisition finance techniques will be helpful; and your knowledge of UK corporate law will assist you to analyse and structure complex lending arrangements.

The package is excellent. The prospects are exceptional. If you are aged in your 20's or 30's, ambitious, credible and keen to progress within an environment recognised for promoting and rewarding talent, please write with a full cv to John Watkinson, Assistant Vice President - Personnel, Bank of Boston, 5 Cheapside, London EC2P 2DE.



BANK OF BOSTON

MAJOR STOCKBROKERS urgently require securities, derivatives, clearing, sales and management. Please contact: Peter 21-251 2081 at KeyStone Employment Agency.

General Manager

Administration and Finance

Financial services

c. £40,000 + car

This is an opportunity to join the top management team of a publicly-quoted, City-based financial services company and to become a likely successor to the Chief Executive.

A market-leader entering a period of further expansion and organisational change, the company sees the development and co-ordination of support services as a key component in its corporate plan. Reporting to the Chief Executive, you will ensure this development and co-ordination happens. Your span of control will cover the finance, data processing, personnel and administration functions, and your main objective will be to co-ordinate their activities and synchronise them with the needs of user departments.

An FCA or MBA, aged 35-45, you must have experience in the financial management of a

company and, at some stage, have had overall responsibility for a sizeable data processing development project.

Experience in the broader aspects of company administration is essential and your sights must be firmly set on a career in general management. Ideally you will come from a marketing-orientated service company background, not necessarily financial services.

Salary is negotiable and benefits include a mortgage subsidy and a non-contributory pension.



All enquiries will be treated in strict confidence. Please send a brief curriculum vitae or telephone for an application form to Gary Gibbons, Financial Institutions Group, Ref: ES54/9681/FT.

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Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874



FRN TRADING/SALES

We would be interested in hearing from individuals who have a minimum of one year's experience of the FRN market, preferably gained within a dealing room environment, and who are now looking to make their next career move into a frontline trading/sales position with a highly professional market-making team.

MARKETING

We are seeking a young marketing officer who will join the International Banking and Corporate Finance team to deal predominantly with UK corporates. Probably a graduate with a formal credit training background you should already have around 18 months experience in a junior marketing role and be looking for an opportunity to prove yourself in this rewarding but highly competitive market.

FINANCIAL CONTROL

As part of the restructuring of the Accounting and Control functions within the Bank, we now require accountants to head the accounting and reporting sections of the department. You will have gained experience of the banking sector in some or all of the following areas: accounting, planning and budgeting, reporting, monitoring and control of risks, tax, and VAT, either from the accountancy profession, or from working in the required areas in an international bank. You will now be seeking an opportunity to consolidate and expand your management skills in a progressive banking environment.

As the well established London Office of a leading Austrian Bank, we are seeking to fill these newly created positions, all of which carry an attractive salary and the usual range of banking benefits. If you would like to find out more about any of these opportunities, please telephone for an application form, or write, enclosing a c.v. to:

John Turner, Operations Manager

or

Sandie Tucker, Personnel Officer
GIROZENTRALE VIENNA, LONDON BRANCH
48, Cornhill, London, EC3V 3QE
01-229 2345

Senior FWDS Dealer

Due to substantial planned expansion our client, a prestigious city bank, seek a senior level FWDS dealer. Probably in your mid 20's or 30's you will have gained solid in depth experience with banks recognised for their expertise and high level of participation in the FX markets. This is a new appointment and initially will involve establishing and running Yen and DM books; knowledge of the ECU market will be a distinct advantage. The appointee will report directly to the chief dealer. Salary to c£38,000 (neg) plus bonus and benefits package.

FWDS Dealer

Our client is a "Blue Chip" city bank. Due to expansion they seek a highly competent dealer to run their existing FX books. The appointee will probably come from a merchant banking type background and will possess considerable experience in the FX markets. It is envisaged that the appointee will also run the currency depo books therefore knowledge of this side of the market is desirable. Salary to c£35,000 + benefits.

Spot Dealer "Plus"

A spot dealer with a sound understanding of cross rate dealing is sought by a substantial city bank. The appointee will need broad based experience and be able to "stand back" from the day to day trading and to look for opportunities in cross rate deals. Someone currently in this type of position is preferred but an experienced spot dealer who can demonstrate a sound understanding and aptitude for this type of operation will be seriously considered. Salary c£26,000 Neg plus benefits.

Roger Parker
Organisation

65, London Wall,
London EC2M 5TU
01-588-2580 Telex 8811725 CITLON G.

Specialists in Treasury, FX and Capital Markets Appointments.

"Instruments" Dealer

Due to reorganisation and a firm commitment towards the peripheral trading markets a progressive international bank offer an excellent opportunity in treasury instruments. Complementing the existing high quality treasury and FX desks the appointee will be expected to actively trade in the FRA, swaps, financial futures etc. markets. Whilst not necessarily a graduate candidate must be able to demonstrate a positive ability to keep abreast of market innovations and should have actively traded these instruments with a recognised market name. The appointment is based in Kuwait and offers a respectable basic salary plus bonus and excellent benefits package.

Arbitrage Dealer

A substantial and prestigious international bank requires an arbitrage specialist for its active head office dealing room. The bank has a large amount of trade business, much of which is arbitrage; they therefore seek a specialist to look for suitable opportunities to expand this aspect of trading. A solid background in this environment will be sought and it is likely that the appointee will be an up and coming trader with a high level of technical ability. The appointment will be based in Kuwait with negotiable salary, bonus and excellent benefits package.

FRA's

FRA/potential FRA dealers are sought by two expanding international banks. Level of experience required is variable, with preference given to FRA dealers with an established market presence. However applications from experienced treasury FX dealers with limited FRA dealing experience will be considered by one of our clients and for this appointment a graduate is preferred. Salary a.a.c.

FOREIGN EXCHANGE DEALERS

Philadelphia National Bank is seeking the following staff to contribute to the expansion in their Corporate and Interbank Trading activities.

SPOT DEALER with a minimum of two years' trading in a major currency in active professional dealing room and with experience in currency arbitrage.

POSITION CLERK with minimum two years' forex back-up experience to train as Foreign Exchange dealer.

The successful applicants will have:
—excellent numeracy and communication skills
—'A' Level Mathematics or equivalent
—effective understanding of back-up systems
A second European language would be a distinct advantage.

Please reply, in strict confidence, with full C.V. to:
David W. Whyte, Personnel Manager, Philadelphia National Bank,
Philadelphia National House, 3 Gracechurch Street, London EC3V 5AD.



Philadelphia National Limited

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ECONOMETRIC CONSULTANT

London SW1 Salary to £11,500

CISI-WHARTON Econometric Forecasting Associates, the UK subsidiary of CISI-WHARTON International, is one of the leading econometric forecasting and data services companies.

Due to continued expansion of our client base, we seek a professional econometric consultant to join a young and vigorous team of client support, research and computing personnel.

The post carries responsibility in three main areas: client support on econometric applications, software and data; consultancy projects; and product development, especially innovations in micro and mainframe applications for our new econometric software, AREMOS.

You should have two years experience in a related field, a degree in economics or econometrics and preferably a second qualification in a relevant subject. Knowledge of FORTRAN/PASCAL would be a distinct advantage. Good presentational skills and the ability to liaise comfortably with clients are essential.

Please reply in writing, including your CV, to Ian Byrne, Manager, Econometric and Data Services.



Elbury Gate, 23 Lower Belgrave Street,
London SW1W 0NW

CREDIT ANALYST

London Forfaiting Company is a leading export finance house and a member of the Exco International Group.

As a result of continued expansion we wish to strengthen our research team and require an analyst who is conversant with international corporate credit analysis. The successful applicant will probably have a good degree, relevant experience at a leading international bank and be adept at tapping a wide range of information sources.

An above market salary and benefits package is available but only those interested in a challenging environment should apply.

Please reply in confidence enclosing a Curriculum Vitae, to

Mr J. A. G. Wilson

Chief Executive

London Forfaiting Company Limited
International House
1 St. Katharine's Way
London E1 9UN

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Specialist Manufacturing Group

North East

Outstanding product quality and reliability backed by creative marketing and professional management have established this successful and expanding manufacturing Group as a world market leader in its specialist product fields. A major supplier to the automotive, construction and engineering industries, the following key senior appointments will further strengthen the dynamic executive team whose corporate objective is sustained growth. Promotion prospects in each area are excellent.

Commercial Manager

To £25,000 + Car

With an outstanding record of sales growth, the Group's turnover is approaching £40 million and is planned to increase substantially. Responsibility is for the management of the marketing, sales and purchasing functions and the prime tasks are the development and implementation of a marketing strategy and the co-ordination of a home and overseas selling network, which will maximise market penetration of existing and new specialist steel products. Candidates, aged over 30, will be highly experienced marketing and sales professionals with a thorough knowledge of international selling who can demonstrate significant success in the marketing of specialist products to end users in highly competitive industrial markets. Ref: 46050/FT.

Group Financial Controller

To £25,000 + Car

Further expansion will continue to demand the strictest financial control of the Group's operations. The scope of this senior financial appointment embraces the management and direction of a centralised accounting function, responsibility for the development of a fully computerised Group accounting system, consolidation of Group operating results, and the provision of advice on financial and strategic planning issues in an expanding and exciting environment. Candidates will be qualified accountants, aged over 30, who can demonstrate significant experience and achievement in a senior head office financial role within a substantial manufacturing company. Ref: 46051/FT.

General Manager

To £25,000 + Car

To take control, with full profit accountability, of a small autonomous specialist engineering subsidiary within the Group, with a turnover currently approaching £2 million. Prime tasks are the development and implementation of corporate and marketing plans and the evaluation of new product and market opportunities aimed at significantly expanding both turnover and long term profitability. Candidates, aged over 30, and ideally graduates with an engineering background, will have the strong leadership and business strategy skills necessary to achieve these objectives. Ref: 46052/FT.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to K.H. Thompson, Hoggett Bowers plc, 4 Mosley Street, NEWCASTLE UPON TYNE, NE1 1DE, 0632 327455, quoting the appropriate reference number.

Scandinavian Capital Markets Executives

Our client, a major international investment bank, requires further executives for their Scandinavian desk.

International Securities Sales Executives

Dealing in a wide range of securities, applicants must be educated to at least degree level and have a proven track record in both UK and Scandinavian institutional sales markets. A fluency in Swedish and at least one other European language is essential.

Capital Markets Executives

- Legal Documentation

Dealing with all aspects of New Issues Documentation applicants should be educated to at least a 2nd degree standard in law and will have a good knowledge of both Scandinavian and US legislation. In addition, a fluency in Swedish plus at least two other European languages is essential. A competitive salary and benefits package will be provided. Please send your CV to Mr. B. Johnson, PER, 4th Floor, Rex House, 4-12 Regent Street, London SW1Y 4PP.



Britain's Largest Executive Recruitment Consultancy



Private Client Specialists

As part of the continuing expansion of our Portfolio Management Division, we are looking for people, preferably aged between 30 and 45, for our New Business Team.

The Team's function is to meet potential clients, who have approached us as a result of word-of-mouth recommendation or advertising, and to assess (1) their needs and wants, (2) whether we are able to satisfy these and, if so, (3) who in CCM would be the most suitable manager.

This is an extremely important job and applicants must already have a good knowledge of private investment management and personal taxation, as well as a cheerful and flexible temperament. This is not a salesman's job and successful applicants will be remunerated by a good basic salary and a share of both the Firm's and the Portfolio Management Division's profits - not direct commission. If you have the right qualities contact James Neill with your curriculum vitae. All enquiries will be treated with the strictest confidence.

CAPEL-CURE MYERS

Members of the Stock Exchange
Tel: 01-236 5080
65 Holborn Viaduct
London EC1A 2EU

Member of the ANZ Group

Marketing Manager

To develop business from the Middle East and Africa
London based

Citibank NA, one of the world's largest financial institutions, has developed a new European Banking Centre for affluent personal clients. We are widely known for our progressive approach and the excellence of our financial products - a reputation which has led to the healthy growth of our operations, and created an exceptional opportunity for a marketing manager in London, responsible for Middle Eastern and African personal accounts.

Your responsibility will be to determine the financial needs of prospective customers and develop a package of Citibank's products and services to meet these needs. You will have contact with customers over the telephone, via the mail or in person.

In addition, you will be liaising with overseas based marketing officers, who will place their clients' international investment requirements through your department.

Probably aged in your mid 20's to 30's, you will have acquired a broad banking experience, including, possibly, membership of the Institute of Bankers. Fluency in Arabic, French or both is an essential requirement for candidates operating in this environment, as are strong personal skills and a considerable cultural understanding. Candidates requiring relocation to London must be UK passport holders.

A most generous salary package, with full banking benefits rewards this key position, enjoying high visibility and strong operational support. To apply, or discuss this opportunity further, please write to Peter Bygata, Personnel Manager, Citibank NA, 336 Strand, London WC2R 1HB.

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LINK INTERNATIONAL is a professional, successful and fast growing Search and Selection Consultancy - professional enough to accept that there was no point in offering a service within the City until we could boast relevant experience and expertise. Following the recruitment of several experienced City consultants, a separate division has been created, offering, perhaps uniquely, the best of both worlds. We insist on the highest professional personnel consultancy standards; from client chief executive through to junior candidate, our contacts can talk to us in total confidence; and our work is carried out by consultants with years of experience in City recruitment.

INTERNATIONAL CAPITAL MARKETS SALES

We have been retained by a leading British Merchant Bank to expand its successful Capital Markets operation. Specifically our client is looking for a senior sales specialist with a good understanding of the US \$ and Sterling Bond Markets. Experience of handling clients in Europe and/or the US would be an advantage - as would an additional language. Salary will not be a limiting factor and the package will be structured to appeal to a candidate with about two years' successful presence in these markets.

STERLING DEALER c. £40,000

A European Merchant Bank with a growing reputation in the Market is intending to strengthen its Dealing operation by appointing a Sterling Dealer with substantial experience. It's an opportunity which offers considerable scope for an experienced dealer, ideally with a Forex background, to develop the Bank's presence in the Sterling instruments area (eg. FRAs and IRs) and to become involved in arbitrage. Basic salary will be in the £30,000/35,000 range but for an exceptional candidate this could exceed £40,000.

For further information about these openings, for a more general discussion on market prospects, or to arrange an exploratory meeting in our City offices, please ring either Caroline Baker (01-493 5788 during the working day or 01-261 9119 in the evening) or Malcolm Lawson (01-493 5788 during the working day or 0444 73216 in the evening). Alternatively, send us your full career details.

13/14 Hanover Street, London W1R 9EG.
Telephone: 01-493 5788.

City Search & Selection

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M1NH
Tel: 01-588 3588 or 01-588 3576
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A key position in a rapidly expanding division of an established Group with Directorship prospects in 3-5 years

CJA PROJECT FINANCE - PROPERTY CITY OF LONDON ATTRACTIVE SALARY

MAJOR FINANCIAL SERVICES GROUP

For this new appointment, we invite applications from candidates, aged 26-32, with at least 5 years' appropriate experience of project finance, preferably within a merchant bank to join a small team specialising in the financing of complex property investment deals. Our clients are market leaders in the interface between the private and public sectors, using a broad range of funding instruments for property development in an imaginative, commercial and highly professional manner. The successful candidate, reporting to the Managing Director, will have strong entrepreneurial skills and the ability to spot trends and communicate effectively at all levels, both in-house and with clients. It is not expected that the successful applicant will be currently earning less than £30,000 pa. An attractive salary is negotiable + car, contributory pension, free life assurance, free family B.U.P.A. and assistance with removal expenses if necessary. Applications in strict confidence under reference PFP4398/FT, to the Managing Director: CJA.

A unique opportunity to make a significant mark in building up a treasury function with very substantial support - scope to become a Director within 3-5 years.

ALPS CLIENT CORPORATE TREASURY SERVICES MANAGER ATTRACTIVE SALARY

FINANCIAL SERVICES ARM OF A MAJOR FIRM OF STOCKBROKERS

This newly structured appointment calls for candidates, aged 25-35, who have achieved a minimum of 3 years' successful experience in the treasury function in a company utilising modern treasury management techniques. Reporting to the Managing Director, the successful applicant will be responsible for the development of a treasury management consultancy service to clients from both within the firm's substantial existing client base and to future potential clients using the firm's wide-ranging investment services. The ability to innovate and a commercial flair are essential qualities. It is not expected that the successful applicant will be currently earning less than £30,000 pa. An attractive salary is negotiable + car, contributory pension, free life assurance, free family B.U.P.A., assistance with removal expenses if necessary. Applications in strict confidence under reference TSM104/FT, to the Managing Director: ALPS.

A high profile appointment offering scope to advance within Systems Development Management or elsewhere in Advanced Information Technology.

CJA SYSTEMS PROJECT MANAGER - BANKING £28,000 - £35,000 + MORTGAGE AND CAR CITY MAJOR WORLD-WIDE WHOLESALE AND COMMERCIAL BANKING GROUP

For this appointment we require candidates of graduate calibre, aged 28-35, with not less than 5 years' in major advanced systems development in an international corporate environment, to include not less than 2 years' heading a substantial systems project group. Ideally, this will have been gained within the banking sector but applicants with proven experience in the design of other large, complex, integrated financial/management accounting suites using structured methodology and fourth generation languages will be considered. A broad understanding of IBM and other leading mainframes, operating systems and applications software is necessary. Reporting to the Head of Information Services, the successful candidate will be responsible for all aspects of the management of a team charged with the design, development and installation of a new, sophisticated accounting/information system for world-wide application. Technical excellence is essential plus the ability to operate under pressure and establish a high level of user confidence with the minimum of direction and supervision. Initial salary negotiable £28,000 - £35,000, mortgage facility, car, contributory pension, life assurance, family medical cover and assistance with relocation expenses. Applications in strict confidence under reference SPM4396/FT to the Managing Director: CJA.

CJRA EURONOTE DEALING CITY £25 - £35K + excellent benefits WHOLLY OWNED MERCHANT BANKING SUBSIDIARY OF MAJOR EUROPEAN BANK

Our Client is looking for a money market dealer, aged 24-28, who has spent two years successfully running a Dollar deposit book, gaining exposure to Euro instrument trading. Candidates should understand all aspects of liability management and should be confident of making markets in selected issues. Self-motivation is essential as the successful candidate will be responsible for developing the Treasury function, reporting to the department manager. Ref: ED/17454/FT.

CJRA EURONOTE SALES CITY £20 - £25K + excellent benefits

This same Client is seeking candidates, aged 23-28, ideally with a university background, who have spent at least two years in the financial markets in a sales capacity. The selected candidate will support the department manager in servicing and strengthening the existing client base and will gain a sound understanding of debt related instruments. Ref: ES/17454/FT.

These positions offer an excellent opportunity for career-minded individuals who wish to make a significant contribution to the development of a Euronotes team. The excellent fringe benefits include company car, mortgage subsidy at 2.75% and attractive bonus arrangements. Applications in strict confidence under the appropriate reference will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA.

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216

PLEASE ONLY CONTACT US IF YOU ARE APPLYING FOR ANY ONE OF THE ABOVE POSITIONS. HOWEVER, ORGANISATIONS REQUIRING ASSISTANCE ON RECRUITMENT - PLEASE TELEPHONE 01-628 7539.

Experienced self-starters required to develop new territories

We are a subsidiary company within a large financial services group, rapidly expanding our particular involvement with the leasing and hire purchase of equipment to specialist markets. We urgently require two Area Managers to effect and develop our marketing strategy for 1986 and beyond, preferably within the northern and southern Home Counties.

Suitable candidates will have a proven track record in all aspects of sales and leasing and related financial services. You will most likely have gained this experience within a major finance house

and will be capable of meeting the challenges of the job with minimum training. Determination, good communication skills, self-reliance and adaptability, together with conscientiousness and commitment, are prime qualities for assured success in this role.

We offer an excellent benefits package (salary negotiable) and the opportunity to realise your full potential. Please apply with full cv, without delay to the Personnel Officer, Welbeck Leasing Services Limited, Star House, 69-71 Clarendon Road, Watford, Herts. WD1 1EX.

Welbeck leasing services Ltd

Private Clients City Based

A large Stockbroker backed by an International Bank is expanding its strong Private Client business. By mid 1986 they will be in smart new offices equipped with new and comprehensive computer technology.

Personnel operate in small teams with exceptional incentives and extensive research backing. They require three executives with at least three years' experience of private client work and, ideally, qualified for Membership, to strengthen existing teams.

Prospects are excellent. A very competitive remuneration package is offered.

Please write in confidence giving brief details of relevant experience and listing separately any companies to whom your application should not be forwarded, to: Clair Sanders.

IAS

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Hesketh House Portman Square London W1H 0JH

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We are a leading overseas banking recruitment consultancy and have recently established offices in Sydney and Hong Kong with further expansion planned for 1986. Our corporate style encourages a team effort in a friendly, stimulating and professional environment and our clients are among the top-ranking banking institutions in Europe, the Middle and Far East and Australasia.

To complement the development of our global network and to meet the increasing demand for our services, we are seeking to recruit two additional, highly-motivated consultants for our European team based in London who will concentrate on the recruitment of banking executives in German-speaking Europe. We would also be interested to hear from candidates who may not have the required language ability but would like to be considered for similar positions within the Company.

To develop new relationships and maintain our existing ones in Germany, Luxembourg and Switzerland, you must have total command of the German language and an understanding of the

business climate. Ideally aged between 26 and 33, you will have sound marketing abilities and a knowledge of international banking, gaining from a minimum 5 years' experience in banking or from a relevant consultancy. Obviously, good communicative and interpersonal skills are also necessary.

This is a unique opportunity to accept the challenges of a fast-moving, demanding rather than conventional career. In addition to an outstanding level of job satisfaction, good prospects and regular overseas travel, you may also anticipate an attractive remuneration package consisting of a base salary plus a generous performance-related bonus - potentially unlimited. On-target earnings average between £20,000 and £30,000 plus car.

Please telephone or write with full career details to: Roy Webb, Managing Director, Jonathan Wren International Limited, 170 Bishopsgate, London, EC2M 4LX. Tel: (01) 623 1266. Telex: 8954673 WRENCO.

London • Sydney • Hong Kong

Jonathan Wren International Ltd

Banking Consultants

Private Banking Executive

c.£25,000 + car

The Hongkong Bank Group with branches in 55 countries provides a substantial range of financial services to high net worth private clients. It has ten Private Banking units throughout the world specialising in marketing these services to existing and potential clients.

The London Private Banking Department was created last year. It now seeks a third executive with proven ability to market international financial services. Candidates must be able to demonstrate:

- clear understanding of the banking options available to high net worth individuals, particularly those from the Middle or Far East.
- working knowledge of Eurocurrency deposits, Eurobonds and FRNs, international quoted securities, and property for investment and residential use.
- familiarity with income and capital taxation, particularly in the UK, and the off-shore structures appropriate for overseas clients.

Ideally aged 30-40, candidates must have strong communication skills with at least ten years background in banking and investment services preferably with Middle East experience. The position is based in Mayfair but the executive will be involved in international travel.

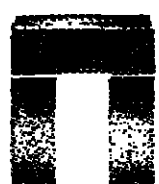
Remuneration will be at least £25,000 with a car and generous banking fringe benefits.

Full career and personal details by 5 February to:

International Recruitment Officer
The Hongkong Bank Group
99 Bishopsgate
London
EC2P 2LA
Tel: 01-638 2366 Ext 2922

Hongkong Bank

The Hongkong and Shanghai Banking Corporation



KIDDER, PEABODY SECURITIES LIMITED

We are recognised worldwide as a major market maker in Eurodollar securities. We currently are looking for staff in the following areas to complement our existing specialist bond groups:-

(a) Yen Bond Sales

Applicants should have thorough knowledge of all aspects of Yen Bond markets and will be expected to co-ordinate our sales effort worldwide.

(b) Fixed Income Dollar Bond Sales

We need two experienced salespersons to join our London sales group. Applicants should have experience of Dollar Denominated Fixed Income Instruments, including US Government issues.

(c) Floating Rate Notes Trading/Sales

We need a junior trader to assist our established dealing team. Also, an experienced salesperson to expand our coverage of UK and European accounts. Applicants should have thorough knowledge of Floating Rate Instruments and foreign language capabilities will be an advantage.

(d) Central Bank Sales

We are looking for an experienced salesperson who will assist us in developing our sales coverage of central banks and similar institutions. Applicants should have in-depth knowledge of International and US Government Bond Markets.

The position will be London based but will entail close co-ordination with our New York and Far East offices and will involve considerable travel. Foreign language capabilities will be required.

Compensation packages for above positions will be competitive.

Interested applicants should apply to:

Mr Lawrie Vanlint
Managing Director
Kidder, Peabody Securities, Limited
107 Cheapside, London EC2V 6DD

ALL APPLICATIONS WILL BE TREATED IN THE STRICTEST CONFIDENCE

ACCOUNTANT FOR SYSTEMS CONSULTANCY

TO £25,000 + CAR LONDON

This National firm of Chartered Accountants has developed a highly successful Computer Consultancy group. The firm's large and diverse client base offers exciting potential for the group's expansion.

As a Manager in this group, you will guide clients through the planning, selection and purchase of computer systems. You will join a young enthusiastic team of colleagues who work with client staff on implementation.

Probably aged 26 to 35, you will be a qualified accountant with practical experience of micro and mini computers, and accounting software packages. Involvement in consulting activity would be an advantage. Communication skills, energy and commitment are the personal qualities essential for this position.

Please reply in confidence, giving career, personal and salary details to: Martin Lawless, Slade Consulting Group (UK) Limited, 2 Bedford Square, London WC1B 3RA. Tel: 01-580 4766.

Executive Selection Consultants

Melbourne • Sydney • Brisbane • Adelaide • Perth • Auckland • Christchurch

SLADE CONSULTING GROUP (UK)

Unit Trust Sales

c.£25,000 + bonus

Our client is a major City investment management group whose independence is an attraction to intermediaries and investors alike. Total funds under management currently exceed £1 billion.

To develop further the expanding unit trust side of the business, they are looking for additional executives to help market their growing range of unit trusts and life and pension products to investment advisors and other specialist intermediaries.

With a broadly based investment background, a good knowledge of the unit trust market and a network of contacts in the financial sector, you will be expected to make an immediate contribution to the development of the business. An outgoing and energetic personality is essential, and potential rewards, which will include a highly geared performance related bonus, are extremely attractive.

Please telephone or write in confidence to Gill Atkinson, quoting ref. AF484, at 11 Gough Square, London EC4A 3DE (telephone 01-583 3911).

Chetwynd Streets

Management Selection Limited

Executive - Latin America

J. Henry Schroder Wegg & Co. Limited, one of the leading U.K. merchant banks, is looking for an Executive to assist in the development of its fee earning business in Latin America. This is a London-based appointment which will appeal to a young entrepreneurial executive who, after a period of familiarisation, will concentrate on the rapid development of new fee earning business.

Candidates should have broad financial experience gained in a bank or multi-national corporation combined with specialist knowledge in the relevant areas such as project finance or corporate finance. Candidates should also be about 30 years of age, fluent in Spanish and Portuguese, ideally having lived and worked in one or more Latin American countries, and be prepared to travel extensively.

A fully competitive salary is offered together with an attractive range of benefits including mortgage subsidy and a generous non-contributory pension scheme. Career prospects within the Schroder Group are excellent.

Applications in writing with full curriculum vitae should be made to Mr. John R. Lambert, Head of Staff and Administration, J. Henry Schroder Wegg & Co. Limited, 120 Cheapside, London EC2V 6DS.

Schroders

International Voluntary Service



International Voluntary Service
SMALL BUSINESS
MANAGER/TRAINING
OFFICER

For vocational training centre in Scotland, to production co-ordination, office in production, co-ordination, marketing, buying, advertising, administration, etc. Formal qualifications less important than relevant experience which may include running a business or co-operative, training, experience as a general, sales, office or personnel manager, accountant or buyer.

Two year contract including modest living allowance. Foreign no funding for dependent. Applicants must be registered in UK or Ireland, 22-26 and 27-31, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Are you looking for CREDIT PERSONNEL at any level?

We can help you with over 400 experienced people registered with us. We could have the right person for you. Phone now on 01-423 3355 and ask for Karen, James or Malcolm.

Appointments Wanted

A 40-YEAR-OLD GENTLEMAN seeking Chief/Deputy Chief Executive position in association with bank of major European/American bank operating in West Africa or north Africa. Position in Africa desk. Fully senior position. 20 years general management experience in banking. Candidate currently in senior management position of London office of a major bank.

ECONOMICS GRADUATE
(1984) Univ. of London (23). Public school. Degree opening with an international bank or investment house. Permanent or temporary position. U.K. or abroad. Fluent French, some commercial experience.
Write Box A0033, Financial Times 10 Cannon Street, London EC4A 4BY

New challenges and opportunities sought by former WEST END RESIDENTIAL MANAGER and manufacturer of prestigious goods. Age 29
Write Box A0033, Financial Times 10 Cannon Street, London EC4A 4BY

INVESTMENT ANALYST

- Challenging job with a small, highly professional team.
 - Attractive remuneration package.
 - Excellent career prospects.
 - Considerable scope for personal responsibility.
 - Edinburgh location.
- The successful applicant is likely to be a graduate aged under 30, with some experience of this type of analysis. Applications giving full details of qualifications and career to date to:-

The Staff Manager
SCOTTISH WIDOWS' FUND AND LIFE ASSURANCE SOCIETY
15 Dalketh Road, Edinburgh EH16 5BU

A CHANGE OF DIRECTION

If your career is at a dead end and you are considering a change of direction this could be the opportunity you are looking for. Opportunities exist at our Cheam Office for self assured people with ability and business acumen to train for a career within the financial services industry. Exciting opportunities for personal success and career development are linked with excellent training and the prospect of a very high income.

Without obligation, find out about our direction
ALLIED DUNBAR
THE FINANCIAL MANAGEMENT GROUP
TELEPHONE: 01-661 7711

Analyst

Investment Research
City Package neg. £25k

Our client, a leading UK stockbroking firm, is originating a new approach to investment research based on advanced statistical and computer-based technologies. It seeks an exceptional individual to act as a UK equities analyst. A member of a small team, you will have a key role to play in business growth and development.

Probably in your middle to late 20s, you will be an MBA, qualified accountant or an honours graduate with some experience of financial analysis/appraisal gained in merchant banks, investment institutions, venture capital, fund management or in industry. Independence, imagination and high intellectual skills are essential qualities as are developed powers of communication. Opportunities for career development are almost unlimited.

For full job description write in confidence to Mark Lockett at J&P Selection Consultants, 104 Marylebone Lane, London W1M 5FU showing clearly how you meet our client's requirements, quoting ref. 9118/FT.

J&P

John Courtis and Partners

Accountancy Appointments

Manager Accounting

International Capital Markets
City
c.£24,000 + car + banking benefits

Our client, part of a substantial European banking group, is a major force in Eurosecurities trading and active in both primary and secondary markets. With the continuing expansion in the size and scope of their operation, they now seek additional financial expertise to strengthen their management team.

This new appointment, reporting directly to the Director Administration and managing a small team, will entail full responsibility for all aspects of financial and management accounts,

with emphasis on the further development of reporting systems, policies and procedures.

The role calls for a qualified accountant, probably aged late 20's - mid 30's, who has gained at least two years' relevant experience in banking, either in a financial institution or with the profession. Strong technical ability, including a broad understanding of corporate taxes, and a "hands-on style" are paramount.

The salary is open for discussion and comprehensive benefits will

include a car, non-contributory pension scheme, subsidised mortgage and free travel (first class BR) between home and office.

Please write with full career details, quoting reference MCS/2026 to Milton Ives

Executive Selection Division
Price Waterhouse
Management Consultants
Southwark Towers
32 London Bridge Street
London SE1 9SY

Price Waterhouse

Finance Director

Central London
c.£35,000 + car + share options

The Company is a major listed specialist in property investment and development. Highly profitable, it prides itself on the efficient management of its portfolio. Operations are directed by a professional and compact central staff.

An experienced Finance Director is sought to take executive control of the Company's finances. Key tasks will include further development of relationships with the financial institutions and the City; and a major contribution to corporate strategy formulation.

Candidates should be Qualified Accountants with considerable knowledge of all aspects of financial management, ideally gained in the building or property development sector. Experience of acquisition negotiations would be preferred. Personal skills will

include strong commercial acumen, determination and diplomacy.

The above average benefits package reflects the importance of the appointment to the Company.

Please reply to Martin Manning in strict confidence with details of age, career and salary progression, quoting reference 1560/FT on both envelope and letter.

**Deloitte
Haskins + Sells**

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Finance Director

Electronics South-West c.£22,500 + car

A profitable subsidiary of a British plc, this Devon-based company is a significant name in its principal market sector, with a spread of other international interests. As turnover increases through the £10m mark, there is a need for more sophisticated financial planning and control, especially related to long-running overseas contracts. To fill this role, candidates should be qualified accountants with strong commercial skills, whose early career has been spent in an environment

using advanced management information systems. For someone in the early - mid-30s, this post offers an important career move into a flourishing company with substantial development potential. Salary negotiable at the level indicated plus senior executive benefits; removal expenses to this attractive location reimbursable.

PA

Please send cv including current salary, in confidence, to M J Egan, Ref: AA26/9677/FT.

PA Personnel Services

Executive Search • Selection • Psychometrics • Remuneration & Personal Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-228 6060 Telex: 27874

Financial Control

key development role in leading financial institution

London c£20,000 + low cost mortgage etc

Capitalising on its strength and reputation, our client is extending its range of financial services. Some of these are already being marketed and others are on the way.

From the outset these projects need tight financial control. Hence this requirement for an outstanding young qualified accountant, preferably aged late 20's with proven accounting and systems management gained either in the profession or in commerce. Working in a small multi-discipline team, emphasis will be on the planning and evaluation of these projects together with the associated development of accounting and

management reporting procedures.

The challenge and breadth of experience to be gained in this high profile role together with the future plans of this rapidly changing group make this one of the best career opportunities available for ambitious young accountants.

The competitive remuneration package includes a non-contributory pension and low cost mortgage.

Please write in confidence with detailed c.v. or telephone David Tod BSc FCA on 01-405 3499 quoting ref D/88/JF.

**Lloyd
Management**

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

An Outstanding Financial Opportunity with a Multi National Corporation

OPERATIONAL REVIEW

Watford Base c.£16,000 + car
—International Travel + attractive benefits

A highly successful and rapidly growing US Manufacturing Group with extensive UK and European interests can offer a challenging opportunity to a young highly motivated accountant (preferably qualified) with a keen interest and preferably some experience in computerised accounting systems.

Specifically the successful candidate will undertake the following responsibilities—

- i) Examination and reporting on the financial systems of internal control.
- ii) Further development of internal control and recording systems.
- iii) Ad hoc investigations and projects as required.

The nature of the appointment and the growth of the Group demands that the successful candidate will spend a considerable amount of his/her time travelling, both in the UK and within Europe. Fluency in a second language would be a useful pre-requisite.

This is a demanding appointment calling for a candidate of above average technical ability who can communicate effectively both verbally and in writing at a senior management level. The position offers excellent career development within finance or other areas of general management. Relocation expenses will be met in appropriate circumstances.

Apply in the first instance to Brian R. C. Daniels, (Managing Director), Daniels Bates Partnership Ltd., quoting ref: 86/1869 FT.

**Daniels
Bates
Partnership**
PROFESSIONAL RECRUITMENT

Daniels Bates Partnership Ltd., Josephs Well, Hanover Walk, Park Lane, Leeds LS3 1AB. Tel: (0532) 461871 (5 lines 24 hours).

Accounting Manager

up to £20,000 + Car London

This is an exceptional opportunity to make an active contribution to the management of a business unit within one of the UK's leading and most successful food manufacturers.

As a key member of the management team, you will be responsible to a Board member for all aspects of management and statutory accounting, covering both the production and commercial sides of the business. Your brief will include the preparation and analysis of accounting information which will be instrumental in determining both financial strategies and policies.

To succeed, you will need to be a qualified accountant, (ACA, ACCA or ACMA), with several years' management accounting experience, together with proven managerial ability. Although age is not important, you must have the maturity and commitment necessary to occupy a senior post.

In addition to an attractive salary of up to £20,000, we offer a company car, and the generous range of benefits you would expect of a major company, including relocation assistance, where appropriate. Genuine opportunities for career progression exist throughout this multinational group.

Please write with full career details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Wendy North, ref. B.2288.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.
Offices in Europe, the Americas, Australia and Asia Pacific.

HAY-MSL

CONFIDENTIAL ADVERTISING

Finance Managers

Middlesex-Surrey border c.£17,500 package

The Ian Allan Group is a privately-owned group of companies operating in the fields of publishing, printing, travel, motor trade and hotels.

Continued expansion has created the need to recruit two senior managers who will have overall responsibility for the financial control, preparation of management and statutory accounts and the day-to-day running of the finance functions.

GRAPHICS DIVISION

This diversified division which is involved principally with publishing and printing seeks a Financial Director Designate to join the specialist management team. The successful candidate will report initially to the Financial Director who, in the short term, will expect to withdraw from the daily routine. The appointee will take charge of a small but highly versatile department.

LEISURE DIVISION

A Chief Accountant is required for the major operating company within the division. Involved in the travel industry, turnover is in excess of £30m. The successful applicant will report initially to the divisional Finance Director but it is envisaged that the position will lead, in due course, to a Board appointment.

The successful candidates will be qualified accountants in their late 20s/early 30s with at least two years' commercial experience and with proven management abilities.

Please write in confidence, enclosing full career details, to—

The Group Secretary
IAN ALLAN GROUP LTD
Terminal House, Station Approach
Shepperton TW17 8AS

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Group Financial Controller

Property Management, Development and Information
Technology Group
Leeds, to £25,000, Car

This well established, progressive and highly successful Group, which is expanding rapidly and developing ancillary financial services, requires a qualified ACA or CA to assume responsibility for the total finance function. Reporting to the Chairman, this is an exceptional opportunity to join a young management team at a key time in the Group's development. Aged 27-35, and probably a graduate, candidates must have 5 years post qualifying experience in a service industry environment, preferably embracing taxation and financing. Personal qualities must include a willingness to work hard and the ability to contribute to the management and development of the Group.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to D. Adrian, Hoggett Bowers plc, 7 Lisbon Square, LEEDS, LS1 4LZ, 0532 448861, quoting Ref: 15001/FT.

Finance Director

Leicester CityBus

£20,000 + Car + Relocation

Arising from the formation of a new Company under the terms of the Transport Act 1985, our client, Leicester CityBus wish to recruit a Finance Director.

The successful candidate will be responsible for:

- the prudent and effective financial management of the company
- advising on the financial implications of Company policy and operation
- corporate budgetary and accountancy matters
- the provision of a comprehensive system of management information.

Applications are invited from candidates who are qualified accountants with at least 10 years' post qualification experience and minimum of 5 years' relevant commercial experience at a senior level.

Applicants who believe they meet the requirements and who wish to be considered should apply in writing, giving full details of qualifications and career history to:

John Ord, FCA,
Peat, Marwick, Mitchell & Co.,
21, The Crescent, King Street,
LEICESTER, LE1 6RX.

**PEAT
MARWICK**

AMBITIOUS YOUNG ACCOUNTANT

We are a medium sized city firm with a proven record of success in the International Securities Market and first class financial backing.

We are expanding to take full part in the 'City Revolution' and have an exceptional accounting/administrative career opportunity for a really competent young CHARTERED ACCOUNTANT.

Reply in confidence to:
F.T. Box A0034, Financial Times,
10 Cannon Street, London EC4P 4BY.

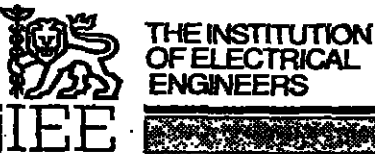
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Accountancy Appointments

ASSISTANT ACCOUNTANT

—newly qualified Salary c. £13,000

Following the promotion of the current post holder, the IEE now has a vacancy for an Assistant Accountant in its Hitchin Office. In addition to its role as a Learned Society and qualifying body for professional Electrical Engineers, the Institution is at the forefront of Publishing and Information Services in the fields of science and engineering and has a total annual turnover of £17m. To control this level of activity, tight budgeting and financial control systems are operated, and the successful applicant will be responsible for the day-to-day control of these systems and for the preparation of the monthly management accounts and the Annual Accounts for both the Institution and its subsidiary company. The Institution promotes internally wherever possible and opportunities for advancement are expected to arise within the next four years. Attractive remuneration is offered plus assistance with relocation costs where appropriate. Please send detailed cv, or write or phone for a Job Description and application form, to: Personnel Manager, Station House, Nightingale Road, Hitchin, Herts. SG5 1RJ. Telephone (0462) 52121



DEPUTY CHIEF ACCOUNTANT

c. £25,000 + car Thames Valley

Our client is a major Financial Services Group with an enviable record of growth. They have successfully developed a diverse and highly marketable range of services both in the corporate and individual sectors of the market.

Recent and anticipated future expansion has created a new management position with good potential for rapid promotion within the group. Directing a staff of over twenty, including three qualified accountants, you will be responsible for the Financial Accounting function with a heavy involvement in the imminent IBM mainframe development and the network of microcomputers used within the departments.

You are likely to be a Chartered Accountant in your early thirties, with some years post qualification commercial experience. Knowledge of the financial services industry would be an added advantage. As well as first class technical knowledge you should have the management skills to lead a highly motivated team and also to communicate at Board level.

Interested applicants should write with a full CV, to me, Robin McWilliams, Consultant to the Group. All details will be handled in strictest confidence and your name will not be released until we have briefed you and you have given your consent.

Business Development Consultants (International) Ltd
63 Mansell Street, London E1 6RN
Tel: 01-488 0155



Divisional Finance Director

Oxford/Bucks Borders

This £100 million Division of a substantial UK high technology Group has major manufacturing and R & D facilities based at several UK sites. The extensive product range is internationally competitive and is marketed throughout the free world.

The Finance Director will need to establish a creative, interactive relationship with the Divisional Managing Director as his principal commercial and financial adviser and executive.

Responsibilities will include advice on new business ventures, rationalisation, international trade, acquisitions, collaborative arrangements, investments and capital expenditure in addition to the functional responsibility for Divisional finance staff, systems, reporting standards etc.

The Divisional Head Office is a small group which will appeal to individuals who have the maturity to work effectively in a close, informal atmosphere.

Applicants should be qualified accountants aged over 35 with well rounded commercial experience who are up to date in accounting, financial control, computing and taxation matters.

Salary will be negotiable in the upper £20,000's plus executive car and other fringe benefits. Please reply in confidence quoting ref. L215 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

FINANCIAL CONTROL AND ADMINISTRATION

Asset Finance c. £23,000 + Bank Benefits

CTS Leasing Limited, the big ticket leasing arm of the TSB Group has experienced considerable growth in its asset based financing activities. The company now wishes to recruit an experienced Manager to develop and take responsibility for the financial control and administration of this rapidly developing operation.

Responsibilities of the successful applicant will include:

- Provision of management information.
- Production of management and statutory accounts.
- Tax computations and VAT returns.
- Administration of the leased assets portfolio.



Control of the funding requirements of the portfolio.

Applications are invited from Accountants with at least five years' post qualifying experience, part of which should have been gained in a financial institution. An immediate priority for the successful applicant will be the implementation of a computer system for the accounting and administration of leases.

Please apply in confidence, enclosing full CV including details of salary to: C. P. Allison, Development & Training Manager, TSB England & Wales, St. Mary's Court, 100 Lower Thames Street, London EC3R 6AQ. Closing date for applications: 14 February 1986.

Financial Controller

Board Potential

Sussex Coast

c. £20,000 + Benefits

Our client is a successful specialist sub-contractor and has been involved with some of the most prestigious building projects in recent years. The Company has developed rapidly to become one of the acknowledged leaders in its field with one of the most technologically advanced fabrication plants currently available. Turnover exceeds £5m.

They now wish to appoint a Financial Controller, reporting to the Managing Director, to assume full responsibility for the complete accounting functions and play a key role in developing and maintaining the company's computer based financial controls and information systems. You will be part of a small management team actively involved in the future development of the business.

Applicants will be qualified accountants, aged 30-40, with several years broad industrial experience, although not necessarily in a contracting related field.

A fully competitive salary and an attractive package of benefits will be offered and there are excellent prospects of a Board appointment for someone who is able to demonstrate a sound commercial awareness and high financial management ability.

Please send concise details, including current salary and daytime telephone number, quoting reference WG100, to W S Gillard, Executive Selection Division.

Grant Thornton
Management Consultants

Fairfax House, Fulwood Place, London WC1V 6DW.

Group Management Accountant

Take on the challenge of expansion

Central London - c. £17,500

Here at BUPA, Britain's leading private health care organisation, commitment to expansion forms a cornerstone of our operating philosophy. This commitment has led to the creation of a high profile position for an ambitious, qualified Accountant who wishes to stretch his or her skills to the limit.

Heading up a compact, professional team, your brief will include monthly and quarterly accounts for the Group; capital expenditure and cashflow reports; the introduction of Group reporting standards; developing and consolidating projects; and performance monitoring. You will also get involved in developing a networked PC database.

The department already enjoys an enviable reputation for its positive approach to developments in reporting technology - we'll expect you to maintain and enhance this reputation through strong leadership.

As we say, it's a challenge - but one which the right person will relish. If that's you, the remuneration package will more than compensate for the commitment we ask. Generous benefits include free BUPA and life assurance, mortgage subsidy, attractive pension scheme, interest free season ticket loan and assistance with relocation, if necessary.

For an initial discussion, please telephone Margaret Monaghan on 01-353 5212. Alternatively, send a full CV to her at: BUPA, Provident House, Essex Street, London WC2R 3AX.

BUPA
It makes all the difference.

Finance Director

West of London

Our client is the UK subsidiary of an international manufacturer of industrial and consumer batteries. They are seeking a commercially minded, qualified accountant, who is prepared to become involved in the trading activities of the company.

Working closely with the Managing Director, as a key member of the small executive team, the role will involve the development and maintenance of the financial and cost accounting systems, control of the company data systems, responsibility for treasury and tax matters and the administration of personnel matters. Equally important, however, is the involvement in the formulation of strategic policy and its commercial implementation.

The ideal person will be a qualified accountant in their late 30s, who can demonstrate a successful career progression to a senior management level, and probably have experience of a FMCG environment. As important as technical competence are the interpersonal skills and motivation to lead a small team. A sound knowledge of computer based systems is essential.

The rewards for this challenging opportunity include a salary c. £27,000, the provision of an executive level car and benefits commensurate with a senior level position.

Please write in confidence to J P Cornish, Head of Executive Selection (ref 6311).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement, London EC2A 1SX

Finance Director

Required for an internationally famous marine engineering manufacturer in the North East. The operation is part of the world-wide marine engineering group of a major U.K. engineering company. The division's products are the accepted international standard in their field. The product range is made, using advanced technology methods, in a modern, spacious factory. The work-force is 300 strong. There are small related operations in USA and Japan.

A qualified accountant is required to join a small, young, functional Board to be responsible for the finance function and to play a major role in information handling and systems development work throughout the operation. He will also participate in the comprehensive planning activities given importance throughout the company.

This appointment offers an exceptional opportunity to a 28-35 year old who has sound business experience, preferably in a manufacturing engineering environment. The scope for development within the division, group and parent company is outstanding.

A salary of c. £20,000 is offered plus bonus and other usual big-company benefits.

Please send your C.V., quoting reference 8502 to: Richard Gibbons, Barnett Consulting Group Limited, Providence House, River Street, Windsor, Berkshire SL4 1QT. Telephone: Windsor (0753) 888888.

Barnett Consulting Group

EUROPEAN FINANCIAL CONTROLLER

Director Status

South Coast To £30,000 + Car

The continuing success of Schlumberger within their high technology operations is founded on the capability of its people, not least within its financial function who have earned them the reputation of being one of the best financially managed companies in the world.

This is a senior appointment based at the European headquarters in Dorset. Factron Schlumberger manufacture and market Advanced Electronic automatic test systems to leading-edge high technology companies and have operations in Germany, France and Benelux, controlled from the UK.

Reporting to the General Manager Europe the position carries responsibility for all financial management and accounting activities in Europe, candidates of the highest calibre are therefore required who are well versed in the reporting techniques used by large American companies and who would be at home in a fast moving high tech environment that is truly international in its approach to business.

The ability to utilise sophisticated DP facilities, manage a team of professionally trained Accountants and act as a senior member of the company are all key requirements.

You should be aged 27-35, graduate and fully qualified with ACA or ACMA. French or German would be an added bonus. The worldwide career opportunities are truly exceptional and the rewards are what you would expect from a committed successful organisation.

Send a CV detailed enough to make an application form unnecessary to: Steve Thurlow, Director - Personnel, Factron Schlumberger, Ferndown Industrial Estate, Winborne, Dorset BH21 7PF. 0202 893535.

FACTRON

Schlumberger

FINANCIAL CONTROLLER

c. £20,000 + car

Parker Knoll PLC is an expanding and successful Group of textile and furniture companies. It is strengthening its Group accounting with this new appointment, which offers excellent prospects for further development for the right person. Responsible to the Finance Director, the position involves the control of a large accounts department, including credit control for most of the Group and a management accounting service to the main furniture and textile companies situated in High Wycombe. It also carries responsibility for consolidated accounts and the co-ordination of cash flow, budgets and capital expenditure control.

Applications are invited from commercially minded qualified accountants, preferably aged 35-45. Please write with full career details to J. C. MASON FCMA, Financial Director, Parker Knoll PLC, Frogmoor, High Wycombe, Bucks HP13 5DJ.

FINANCIAL CONTROLLER

c. £18,000 + CAR + ATTRACTIVE BENEFITS
HIGH TECHNOLOGY

A successful 'hi-tech' company is growing rapidly and wishes to attract an exceptional young financial controller to this key management position. Responsible for the finance functions, the successful candidate will plan and develop financial systems and be fully involved in day to day financial problems and decision making. This is an opportunity for an enthusiastic 'all rounder' to be totally involved in the financial management of the company.

The Directors will rely on the Financial Controller for the professional skills and advice needed to ensure the continued rapid growth of the company. Success in this role could lead to interesting career development.

Candidates, ideally aged 28-35 should be qualified ACMA/ACA and have at least five years industrial experience preferably in a high technology, electronics or light engineering environment. Management accounting skills should be highly developed. Interested applicants should write in strict confidence to the Group Advisers enclosing relevant career and personal details.

Hawk Belcourt Associates
13 Knightsbridge Green, London SW1X 7QL

Accountancy Appointments

Corporate Operational Auditor

International Role
London Base
c£30,000 + Bonus

This is an important appointment at the centre of a world renowned organisation which operates in the UK, USA and throughout Europe. Reporting to the Chief Financial Officer and through him to the Audit Committee of the Board, this new position will have a worldwide remit to assess the performance of operational and financial systems and ensure compliance with corporate and local policies. Candidates, ideally aged in their thirties, should be qualified accountants, CPA/FCA, with significant practical

experience of advanced EDP techniques. Their career profile must demonstrate a broad exposure to and understanding of business organisation and functions and should include experience in an operational audit role. At a personal level, candidates must have well developed communication skills; be able to influence and persuade others and be prepared to work without close supervision. Experience in a US corporation would be an advantage as would fluency in a second European language other than English. The remuneration package, which

will reflect the significant amount of travel involved, will include an incentive element in addition to salary and other benefits. Please write, in confidence, providing a detailed CV, including current remuneration, quoting reference MCS/4025 to: Gavin Adam, Executive Selection Division, Price Waterhouse Management Consultants, Southwark Towers, 32 London Bridge Street, London SE1 9SY

Price Waterhouse

HEAD OF AUDIT/IN-HOUSE CONSULTANCY

ACA's 28-40
Home Counties

To £25,000
+ Benefits + car scheme

Our client is a national organisation with interests in leisure/tourism, civil engineering and property development. The Head of Audit/In-House Consultancy will manage a team of mainly qualified accountants involved in the ongoing review of both financial and non financial operations and computerised management information systems. The department is expected to make a significant contribution to the effectiveness and profitability of the organisation.

Key aspects of the role are independence, regular reporting direct to the Board, significant initiative in the selection of investigation projects within an agreed workplan for any one year and involvement in one-off consultancy exercises.

Candidates (male or female) should be at or approaching Audit Manager level in public practice, commerce or industry.

If you would like an initial meeting to discuss this position in total confidence, please contact George Ormrod B.A. (Oxon) or Malcolm Edgell B.Sc., F.C.A. on 01-836 9501 or write with your CV to Douglas Llambras Associates Ltd, at our London address quoting reference No. 5916.

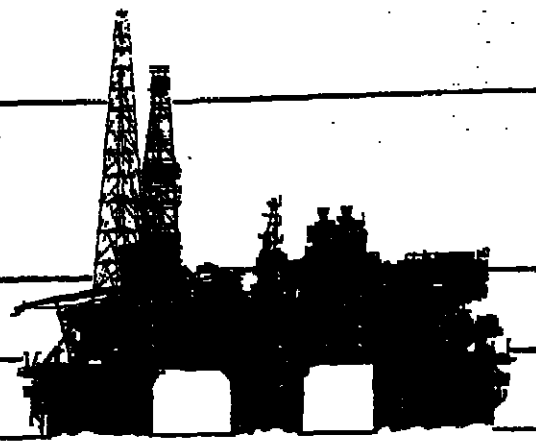
410 Strand, London WC2R 0NS. Tel: 01-836 9501
163a Bath Street, Glasgow G2 4SQ. Tel: 041-226 3101
India Buildings, Water Street, Liverpool L2 0RA. Tel: 051-227 1412
113/115 George Street, Edinburgh E2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBRAS
Douglas Llambras Associates Limited
Accountancy & Management
Recruitment Consultants



Enterprise Oil

Accountants, Joint Venture Operations



Enterprise Oil plc is a substantial British company engaged in oil and gas exploration and production, both onshore and offshore in the UK, and overseas. The Company has production from seven North Sea oil and gas fields totalling more than 30,000 barrels a day. It has interests in more than 100 UK licences, including eight gained in the UK ninth round, and is continuing its active exploration programme.

The acquisition of Saxon Oil plc in September further increased the number of the Company's operations and, with the forthcoming development of the Miller Field, has expanded significantly the information requirements of senior management. Two positions are offered in the Joint Venture Accounting Group. Both positions report directly to the Manager, Venture Accounting, and offer an attractive package of salary and benefits based on ability and experience.

Operations Accountant

An able and imaginative accountant is required to provide financial support and management information to senior personnel in the Company's Technical Department. This department is responsible for the Company's seven producing fields and for the appraisal and development of oil and gas discoveries.

The Operations Accountant will be concerned with all aspects of the accounting for the financial monitoring of the Company's production interests - including the preparation of management financial reports; the control and processing of operators' budgets, billings, AFE's and cash calls; representation of the Company at meetings with operators and partners. This position offers participation in all these activities, including the development of new systems and procedures, a major review of which is presently in progress.

The position also offers the opportunity to become involved in the forthcoming development of the Miller Field, one of the Company's most significant investments in the North Sea.

The successful candidate will be qualified (or nearly so) and of demonstrably high ability. Prior experience of upstream oil activities or North Sea construction projects will be particularly helpful, as will a facility in the use of computer systems.

Joint Venture Auditor

An energetic and self-motivated individual is required to represent the Company in its growing involvement in Joint Venture audits. The successful applicant will play an important role in protecting the Company's interests in its substantial investment programme.

He or she will be responsible for all aspects of Joint Venture audits, including leading audits in a significant number of ventures where Enterprise is a major non-operator, and representing the Company at audit meetings.

This is the Company's first Joint Venture audit appointment and therefore requires a self-motivated individual who is able to work independently to establish and develop this function at Enterprise.

The successful candidate will be qualified and able to demonstrate sound personal skills and leadership ability. Prior experience of Joint Venture audits or upstream oil activities is desirable.

Candidates should contact Charles Austin on 01-831 2000 or write to him, enclosing a C.V., at Michael Page Partnership, 39/41 Parker Street, London WC2B 5LH, quoting ref. L2066.



Michael Page Partnership
International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

ACCOUNTANCY APPOINTMENTS

Appear Every THURSDAY

Rate: £41 per Single Column Centimetre Plus VAT

FINANCE CONTROLLER

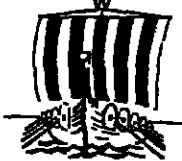
Banking Systems Software

N.W. Surrey, c£29K package

This American-owned company is undergoing a period of dramatic growth in the UK, Europe and elsewhere. It numbers many major financial institutions amongst its customers.

To cope with the accompanying demands on the organisation a young Qualified Accountant is required who has sound knowledge of US reporting requirements, some post-qualifying experience (very preferably in a similar environment) and whose ambitions and abilities match those of this very successful company. (Full CVs please to JOHN WEST)

9/9a New Bond Street,
London W1Y 9PE.
Tel: 01-629 6797
01-491 7216



WEST DANES & CO.

FINANCIAL CONTROLLER/POTENTIAL

FINANCIAL DIRECTOR

Circa £16,000 plus and CAR

and SHARE OPTIONS

Location South West London

A newly established holding company, with four operating subsidiaries, requires a Financial Controller/Potential Financial Director. The successful applicant will report directly to, and work closely with, the Chairman and main board, and will be responsible for the full Finance Function in a complex manufacturing and marketing enterprise.

This challenging new post provides an excellent opportunity to introduce modern financial disciplines, with strong commercial involvement, as a key member of the top management team. Preference will be given to a financially oriented M.B.A. or fully qualified accountant with commercial experience.

Please apply in writing, enclosing C.V. and details of salary progression, to:
The Chairman, Earmson PLC
23 Craven Terrace, London W2 3QH

FINANCIAL CONTROLLER COMPANY SECRETARY

c£25,000 + Car

This is an opportunity to join a successful estate development and contracting company with a turnover of about £10m in the senior financial position, following the internal promotion of the Financial Director.

The successful applicant will be responsible to the Managing Director for financial reporting and controls and for all administrative and secretarial matters, and as a member of the senior management team will be expected to make a substantial contribution to the further profitable development of the company. Success in the job could be expected to result in a Board appointment.

Candidates will preferably be Chartered Accountants, with previous experience of operating computer based accounting systems in a trading company. Experience of the building industry is desirable but not essential. The likely age range 26-35. Salary is negotiable and the company operates bonus and pension schemes.

Summit Homes

E. P. Askew
Summit Homes Limited
Berkley House
Barnet Road
London Colney
Hertfordshire AL2 1DB
Telephone: Bournehampton 22003

Manager Financial Accounting

... Key role in
Headquarters Finance Division

c.£18,000

London

International Military Services Limited is a Government-owned Company supplying defence equipment and services to countries overseas.

Reporting to the General Manager - Finance, you will be responsible through a team of 8, for the efficient and timely management of all the financial accounting functions within the Finance Division. Specifically this will involve the preparation of the statutory accounts; the monthly corporate finance report and monthly accounts for overseas offices and UK cost centres. You will also liaise with our external and internal auditors, supervise the daily treasury activities and take an active part in the control of computerised accounting systems.

A qualified accountant, you should have a minimum of 5 years' relevant experience, gained in a commercial environment and be able to demonstrate strong management skills. The ability to achieve results against strict time schedules is essential.

We offer an attractive salary, dependent on ability and experience. Excellent benefits are those expected of a major organisation and will include non-contributory pension scheme and assistance with relocation expenses where appropriate.

Please write with full personal and career details to The Personnel Manager, International Military Services Limited, 4 Abbey Orchard Street, London SW1P 2JJ.

This appointment is open to men and women.



International Military Services Limited

Group Financial Director

Our client, based in the South East of England, is a quoted manufacturing company, now expanding rapidly into service industries. Turnover and pre tax profits will grow by more than 50% over the next year.

They now wish to appoint a group financial director who, whilst maintaining full control over the financial, accounting and administrative functions, has the ability and agility of mind to co-ordinate with existing Directors to plan for, and implement the future growth of the company, both from within and through acquisition.

They are looking for a graduate chartered accountant, aged 30-35, with relevant commercial experience and sufficient confidence in his/her business acumen to welcome being judged on results. The excellent package offered will contain a substantial share incentive element.

Please write in confidence to J P Cornish (ref 0610) listing any companies to whom you do not wish details to be sent.



Thomson McLintock
Management Consultants
70 Finsbury Pavement, London EC2A 1SX

Hoggett Bowers

Executive Search and Selection Consultants

Financial Controller

Electronics Manufacturing
North West, c£22,500, Profit Share, Car

The company, turnover £80m, is an independent profit centre and part of a major group. It is expanding, major investment is being made, with new products being developed and introduced to a demanding and dynamic market.

The Financial Controller is responsible for providing strategic direction, seeking opportunities for profit improvements and strengthening financial controls, all within a sophisticated computer based system.

The position, available through promotion of the present Controller, requires a qualified accountant, aged 28-35, with industrial experience and a sound management accounting base. The personal qualities demanded include a flexible and creative approach to business solutions and an ability to withstand considerable pressure and face difficult issues. Career opportunities are excellent.

R.D. Howgate, Ref: 27420/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-832 3500, Hoggett Bowers plc, St. John's Court, 78 Gortside Street, MANCHESTER, M3 3EL.

Financial director designate

Rural West Yorkshire, c£20,000 + car



For a group of companies engaged in private and commercial construction and development. Rapid growth has led to current turnover of £10 million and put the USM firmly in prospect.

There is therefore the need for an able and energetic potential Financial Director to guide the group through the next phase in its development. Reporting to the founding Managing Director you will concentrate initially on formalising management reporting, tightening disciplines and controls. Computerisation of the mainly manual systems is a priority and, as the prime source of financial advice to the MD, planning skills and commercial awareness are essential.

You should be a qualified accountant in your 30s, a flexible team member with some exposure to job or contract cost control and an awareness of 'City' requirements, ambitious to play a leading part in a business with ample opportunity for further profitable expansion.

Please write enclosing your curriculum vitae and daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B286.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants
5 Albion Place
Leeds LS1 6JP

Accountancy Appointments

Finance Manager

Leading City Law Firm

c. £22,000

Our client is a leading firm of City solicitors. In an increasingly competitive environment the firm regards effective financial management and control as crucial to sustaining growth and seeks an experienced professional to strengthen its finance function.

Reporting to the Chief Accountant, the Finance Manager will have full operational responsibility for all aspects of client billing and credit control, and will be expected to make a significant contribution to the financial performance of the firm through the further enhancement of systems and procedures.

Candidates will be qualified accountants, probably Chartered and preferably with several years experience in a commercial environment where effective financial controls are in place. A background with a professional firm and of using time based billing systems will be important.

First class communication skills are essential, as is the ability to work at all levels. Experience of working with modern computerised accounting systems will also be necessary.

Please reply to Keith Bate in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1558/ET on both envelope and letter.

Deloitte Haskins+Sells

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

MANAGEMENT AND SYSTEMS ACCOUNTANT

The Property Services Department of Barclays Bank PLC requires a qualified and experienced person to make a significant contribution to their Accounts Section, which is based in Central London.

The position is challenging and would be particularly attractive to someone interested in systems enhancement. The major responsibilities will be the motivation and training of accounts staff, reviewing and advising on Accounts Section Systems, assisting in the preparation of Financial Returns and maintenance of the Accounts Section Systems and Training Manuals. Experience with computerised property records and accounts is essential as is the ability to enhance systems to cope with changing requirements.

Salary will commence at £12,735 per annum plus Large Town Allowance of £1,845 and is subject to annual review. Additionally an annual bonus is payable and there is a wide range of benefits including Non-Contributory Pension Scheme, Profit Sharing and special House Purchase Scheme after a qualifying period.

Please apply in writing giving full particulars to:-

P.W. Cooper, Head of Personnel and Administration, Barclays Bank PLC, Property Services Department, Britannia House, 16/17 Old Bailey, London EC4M 7DN

BARCLAYS

A Key Role in Oil Industry Taxation

Total Oil Marine is a substantial North Sea operator committed to an expanding programme of offshore activity. Currently the supplier of around 40% of the UK's natural gas, Total is developing the Alwyn North field scheduled to come on stream by late 1987, as an important new source of both oil and gas for Britain.

Based at its West End HQ, the Corporate Tax Department plays a central role in the development of tax-effective commercial policies and strategies. Growth in the company's activities has resulted in an immediate need for a tax specialist, with oil industry experience, to strengthen this small team.

Reporting directly to the Head of Corporate Tax, you will assist him in providing professional advice to senior management on all tax matters. You will take particular responsibility for the submission of PRT expenditure claims and their negotiation with the Inland Revenue, and be involved in determining Total Oil Marine's liability for corporation tax.

The salary for this important appointment is highly competitive and is likely to attract a qualified accountant, ideally aged between 25-29 with a high level of technical and personal skills. Experience in basic elements of UK oil taxation and PRT is essential, gained

either within the oil industry or in the accountancy profession.

Above all, you will be ready to accept the challenge and responsibility of this high-profile role which provides an opportunity to contribute to the continuing success of an expanding and progressive international group.

For a detailed and confidential discussion, contact Paul Goodman at Financial Selection Services, Drayton House, Gordon Street, London WC1H 0AN. Tel: 01-387 5400 (out-of-hours 01-954 5242).



TOTAL
Bringing energy ashore

H.Q. Accounting Manager

Ambitious ACA in their mid 20's
To £20,000 + Car

We would like to talk to those in their mid to late 20's who could be regarded as the best of the emerging generation of Finance professionals.

You will join the international headquarters team of a major US multi-national reporting to the Senior Accounting Manager who in turn reports to the Chief Financial Officer.

Your role will demand the exacting standards you would expect of a highly successful organisation. You will also be required to make a significant contribution to steering both the corporate finance department and ultimately the company through the continuing process of dynamic growth and change.

As an ideal candidate you should be a graduate who qualified with one of the leading professional firms and whose post qualifying experience has included a period in industry in a headquarters financial accounting role preferably in a US multi-national environment. We would not wish however to exclude from consideration those for whom this would be their first move out of the profession.

Our client offers a comprehensive range of attractive employment conditions including relocation assistance, if required, to a location in the Southern home countries.

Applicants of either sex should apply in confidence to David Wilson on 01 353 0038 or write to Network Selection, Ludgate House, 107-111 Fleet Street, London, EC4A, quoting ref. 656.

Network Selection
Confidential & Discreet

FINANCIAL CONTROLLER (Director Potential)

CITY

£20-£22,000+car

The company has doubled its turnover in two years. It is a household name in the highly competitive domestic linens market, and produces specialist garments in the North. Employees currently number around 100, and profits are excellent from sales now over £7m. A USM quotation is anticipated in the near future.

The job is critical to the company achieving its objectives. Initial tasks are to revitalise the accounting and administration functions, to select and implement new computer systems and to tighten up credit control procedures. Supported by a small department, the role will form a central part of the management team and will provide a consistent, creative input to all decisions affecting the company's activities. Success will lead to a board appointment.

Candidates will be qualified accountants with a record of success in the smaller company environment, ideally to include import, manufacture and marketing. Experience of hands-on accounting for management and of computer systems is essential. A down to earth approach coupled to commercial flair, commitment and an informal yet professional attitude will fit in with the company's own management style. Preferred age: 30s.

To apply please write enclosing personal, career and salary information to:
Ian Tomlinson, Executive Selection Division, Hacker Young Management Consultants, St. Alphage House, 2 Fore Street, London EC2Y 4DH.

Hacker Young
MANAGEMENT CONSULTANTS

Finance Director

WASTE MANAGEMENT

South Bucks to £25,000 + Car

Our clients have recently concluded a successful management buyout of a highly profitable company operating at the forefront of environmental protection and chemical waste treatment. The company enjoys an exceptionally sound financial footing and is backed by major city investors. Turnover in the first year of independent operation will exceed £8 million.

A key role has arisen within the small and dynamic team for an accountant with well developed commercial acumen to contribute to the direction of the business. This includes the provision of fast and accurate financial information and active participation in the control of budgets and forecasts to meet future growth objectives. A positive personality and first class management and communication skills are essential, as is the ability to introduce and develop computerised accounting systems.

Candidates, aged 30-45, will be professionally qualified with several years practical financial control and accounting experience gained in a competitive trading environment where high levels of customer service are of paramount importance.

An attractive, negotiable remuneration package will include a profit related incentive or share option scheme and career prospects are excellent.

For an informal and confidential discussion please call Maureen Hubbs on (0494) 25128, or write to her in strictest confidence quoting reference No: 1330/PT.

David Anthony (Management Selection) Ltd
23 Euston Street, High Wycombe, Bucks HP11 1NY.

ACCOUNTANT

Stud Farm Management
KNIGHTSBRIDGE

London

c. £18,000

We manage the finances of one of the world's leading blood-stock businesses owning stud farms in England and Ireland. Assets include increasing numbers of horses in training and at stud and additional accounting support is required.

This new appointment will assume complete responsibility for the accounting function and, while based in London, frequent visits to the studs will be necessary including an initial period at the Stud Headquarters in Newmarket.

The ideal candidate, who should own a car, would be an energetic young Chartered Accountant with good all-round financial skills and at least two years' commercial experience since qualifying.

Please write in confidence enclosing your c.v. to:
Nigel Cowie, 200 Sloane Street, London SW1X 9QV

ACCOUNTING SYSTEMS MANAGER

Rural Hampshire c. £21,000

TSB Trust Company is the insurance and investment arm of the TSB Group. We are one of those rare companies which can boast a consistent record of expansion and success over the last 15 years. Rarer still we have detailed plans of even more expansion for several years to come.

As a result of a reorganisational change, we are seeking an Accounting Systems Manager, whose prime responsibility will be to ensure the appropriate and effective development of accounting systems which will include the introduction of a major new mainframe system. Managing a department of six accounting specialists and supported by a large data processing function, you will be required to manage other significant projects and contribute to company strategy in relation to new system requirements.

The successful candidate, preferably aged late 20s to early 30s, will be a fully qualified Accountant and substantial knowledge of large scale computer based systems will be a distinct advantage. The broad base of expertise required to fulfil the position is unlikely to be seen in candidates with less than two years post qualification experience.

As well as excellent career prospects there is a salary package of c. £21,000 which includes mortgage subsidy.

- Additional benefits include:-
- * Non-contributory pension
 - * Christmas bonus
 - * Profit Sharing
 - * BUPA
 - * 28 days' holiday
 - * Flexible working hours
 - * Full relocation

If you feel you meet the requirements of this demanding role, ask for an application form from Bill Brewer.

Assistant Manager Personnel, TSB Trust Company Limited, Keens House, Andover, Hants. SP10 1PG. Tel: Andover (0264) 56789 extension 2174.

TSB
TRUST COMPANY

CLIENT TRAINING SPECIALIST

International
CAs - London

£15,000+

Ernst & Whinney is one of the fastest developing accountancy firms with a continuing commitment to diversified practice growth.

An important new career opportunity can now be offered to an experienced Chartered Accountant in the further development of training services to client companies. Supported by first class professional resources you will design, prepare and present courses and seminars to meet identified client needs. Of key importance will be the generation of original ideas, and the ability to communicate and to consult.

Aged in your mid to late twenties you will need to bring to the position an impressive academic background and experience both of major accounting firm client work and professional training.

Relocation assistance, where appropriate will be provided.

Please write with full c.v. to Barry Compton.

E&W Ernst & Whinney
Accountants, Advisers, Consultants.

Becket House, 1 Lambeth Palace Road, London SE1 7EL. Tel: 01-928 2000.

FINANCE DIRECTOR

A SUCCESSFUL MANAGEMENT BUYOUT has created a rare opportunity for an energetic self starter to reorganise and control the accounting function of an established fashionwear group in Central London.

CANDIDATES must be compatible with a young highly motivated creative team, be commercially aware with experience of financial and management accounts under manual and micro computer systems, import/export finance, and general business administration.

THE REWARDS are circa £20,000 plus benefits.

Candidates should apply in writing with a comprehensive C.V. to

MELVYN LEE A.C.I.S.
44 James Street
London W1M 6HS

Accountancy Appointments

Advertising.

There are few industries that are changing as dramatically as advertising. Mergers, acquisitions, flotations and global marketing strategies are all radically influencing both the structure and the style of the business. The effect of this on agencies is profound and nowhere is this felt more than in their finance functions.

One of the world's major international advertising groups - our client, a leading name in the industry - fully accepts the demands of this changing environment and is now seeking two outstanding accountants to strengthen their group finance team.

Financial Controller to £25,000 pa plus car

Reporting to the Group Finance Director, you will be responsible for the accounting function of the largest company in the UK group. With your fully staffed department, you will manage all the traditional accounting tasks including group cash management as well as playing a major role as a senior member of the group finance team.

Management Accountant c£15,000 pa

A new post with a broad brief. Certainly, you will develop new and enhance existing cost and reporting systems, oversee receivables and be heavily involved in computer developments. As importantly, you will also identify areas for investigation or improvement and, under your own direction, develop and implement your plans with existing teams.

Candidates for both posts should be Chartered Accountants who have received a thorough training with one of the top 20 firms. Whilst applicants for the Management Accountant post may be recently qualified, we expect the appointee to the Controller position to have at least 2 years management experience outside the profession, ideally gained in a fast moving industry.

Obviously, to succeed in this fascinating dynamic business the successful man or woman will be natural, hard and effective workers, quick thinkers, problem solvers and real achievers with a genuine ability to communicate well at all levels.

The rewards offered by our client will, of course, be in keeping with their demanding requirements. In addition to the excellent negotiable salaries, both posts offer a generous range of pension, life assurance and private medical benefits and promotional opportunities are excellent. In addition, of course, our client is offering the rare opportunity for accountants to enter the stimulating world of advertising.

To discuss this further and to apply, telephone or better still, send a comprehensive CV to Stephen Case, PTR Services, 178-202 Great Portland Street, London W1N 5TB. Tel: 01-636 4766.

A rare opportunity for outstanding finance professionals



Corporate Taxation Specialist

UK-based multinational company
Salary negotiable + car + excellent benefits

This highly successful and leading supplier of office information products and systems, ranging from electronic typewriters to laser printers and document management systems, is seeking an ambitious taxation accountant for an excellent career development opportunity.

Reporting to the UK Taxation Manager, you will be fully involved in providing general advice and guidance on all UK taxation matters: from participating in special tax planning projects to preparing tax computations for the parent company. In addition, there will be ample opportunity to be involved in international business problems.

A qualified accountant, you must have in-depth corporate taxation experience in public practice, commerce or industry. Considerable business

acumen is essential and well-developed interpersonal skills must be allied to the self-motivation needed to realise the full potential of this highly visible role.

Although currently based in London, the company's international headquarters team is relocating in late 1986 to a superb new development in the Thames Valley.

Salary is negotiable and is supported by an excellent executive benefits package. Relocation assistance will be provided where appropriate.



To apply, please send cv or telephone or write for an application form to Fiona McMillan, Accountancy Recruitment Group, Ref: SSAS/0490/FT.

PA Personnel Services

Executive Search - Selection - Psychometrics - Remuneration & Personnel Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 0600 Telex: 27874

Accounting Manager

Financial Services Group

West End

c £25,000 + car

Continuing development of its UK and European operations has resulted in this well known group with interests in banking, leasing and shipping finance seeking to strengthen its financial management team.

Reporting to the Group Controller you will have a varied role - to some extent depending on your strengths and interests. Specifically, this will include the supervision of the financial and management accounting for the whole of the European group and the development and centralisation of computerised systems.

Ideally, you should be aged 28-32 with

some commercial experience obtained since qualifying with a major firm, be used to working to tight deadlines within an international environment and have the ability to organise and lead a well qualified team.

Once familiar with the group's activities your role will expand and give you the opportunity to develop your career within a challenging organisation.

Please write, enclosing a career/salary history and daytime telephone number, to John P Sleigh FCCA quoting reference J368/AF.



125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

IVAN SKAVINSKI SKAVAR!

ACA's to £17,000 + CAR

If you drink LAMOT, you could be a clet
With European pretensions
And that Pils can save the life
That no one ever mentions
Now a strong brown ale can lend you in jail
If you drink it at the wheel
And if you have two, of that worthy brew
Then you must have nerves of steel

But the point of this rhyme
That I've got to in time
Is our brewing friends require
Bright young ACA's with different ways
To climb the corporate spire
If you're helluva bright, we could mescha tonight
But tomorrow's equally fine
So don't dussy, phone us right away
on 660 776

Contract:
Lyne Attwood or Vicki Vase
ACCOUNTANCY APPOINTMENTS
EUROPE
1-3 Mortimer St, London W1.
Tel: 01-580 7739/7695 (direct)
01-437 5277 ext. 281/2



FINANCIAL CONTROLLER

North East

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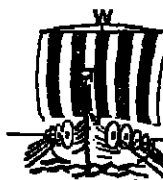
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SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

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Volvo to raise dividend despite profits plateau

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

VOLVO, the Swedish automotive, energy and food group, yesterday announced virtually unchanged profits for 1985 at SKr 7.6bn (\$996m) but said it plans to increase its dividend by 60 per cent to SKr 8.50 per share.

At the same time the group took financial markets by surprise by revealing the first stage of sweeping changes in top management including the early retirement of Mr Hakan Frisinger, Volvo managing director since 1983 and the man credited with the big recovery in Volvo's car operations since the beginning of the 1980s.

Volvo said Mr Frisinger and Mr Ulf Lindsten, group executive vice president who has negotiated most of Volvo's deals in recent years outside its traditional automotive and

engineering sectors, would leave their present positions during the first half of 1987.

Volvo said Mr Frisinger, 57, "wishes to be based outside Sweden and devote his remaining active years with Volvo to international operations." He would remain an adviser to the group until the end of 1986.

Mr Lindsten, 48, was said to be leaving his full-time position for personal reasons. He will remain a member of the Volvo board.

As an interim solution Mr Gunnar Johansson, 57, currently head of Volvo's aero-engine division, will replace Mr Frisinger next year. But more importantly for the future, perhaps, Volvo is appointing Mr Lars Jeansson, 44, currently head of purchasing and material in

Volvo's car division, as senior vice-president and a member of the executive committee.

Volvo said its sales last year totalled SKr 86.2bn compared with SKr 87.6bn a year earlier.

Sales of its energy and trading division declined by 21 per cent to SKr 21.5bn, while sales of industrial products rose by 9 per cent. Sales of cars rose by 14 per cent to SKr 34.3bn, and truck sales increased by 10 per cent to SKr 16.7bn.

Operating profits for the year fell slightly to SKr 6.5bn from SKr 6.52bn in 1984. Mr Brian Knox, an analyst with Grøneson Grant, said the final quarter operating profit of SKr 1.34bn was down by some 7 per cent, taking into consideration the big write-down on STC in the final quarter of 1984.

Big loss expected at Alfa Romeo

By Alan Friedman in Milan

ALFA ROMEO, the state-owned company that controls Italy's second-biggest car maker after Fiat as well as other industrial activities, is expected to announce a 1985 loss of more than L200bn (\$119.4m), more than double the deficit recorded in 1984.

The Milan-based car group's official results will not be published until March or April, but the loss for last year is already well known in Italian industrial circles.

In 1984 Alfa recorded a L97.8bn loss on L3,100bn of group turnover. The 1984 loss was more than treble the 1983 deficit.

Alfa's financial problems partly relate to heavy capital expenditures made over the past couple of years in connection with the launch of new car models such as the Alfa 90. But there is also a more fundamental and structural problem at the car maker, which has its main plants at Arese, outside Milan, and at Pomigliano, 20km from Naples.

Alfa's total productive capacity is about 400,000 cars a year, but in 1985 it is believed that Alfa produced about 190,000 cars.

Alfa has 32,000 employees but about 8,000 of these are already on state-subsidised lay-off. Redundancies would clearly reduce the group's operating costs but this is not a viable option because of political opposition.

William Hall in New York looks at BankAmerica's latest troubles
Tough times for Sam Armacost

IF THERE was any doubt that BankAmerica, the second biggest banking group in the US, had joined the ranks of the walking wounded in the international banking community, the announcement of a 1985 net loss of \$337m and the suspension of common stock dividends, will have set the record straight.

It is highly unusual for a large international bank to completely pass its dividend and the group's losses, which would have been considerably higher if they had not been cushioned by \$500m of pre-tax gains on the sale of the San Francisco headquarters and the finance company, is in stark contrast to the double digit earnings growth being reported by most US banks.

Last year, BankAmerica provided a staggering \$2.2bn against loan losses, far and away the biggest provision ever made by a US bank.

Mr Sam Armacost, BankAmerica's 47-year-old chief executive, says "California agriculture, real estate, worldwide shipping and Third World countries were all hard hit, and we suffered as a consequence."

But other banks have also run into difficulties in these industries and the scale of their problems does not rival those of BankAmerica.

Five years ago the San Francisco institution was the world's biggest banking group and one of the most profitable. Since then it has slid steadily downhill and over the last 12 months the decline has accelerated.

BANKAMERICA'S INCOME RECORD

Year	Net Income (\$m)	Loan Loss Provisions (\$m)
1979	801	223
1980	648	240
1981	447	328
1982	457	538
1983	390	628
1984	396	881
1985	(337)	2140

Since 1981, when the current management team took over, the group's net loan losses have totalled \$3.9bn, which is three times the total net income earned over the five-year period. Notwithstanding these heavy charge-offs, the level of BankAmerica's non-performing loans and foreclosed real estate remain stubbornly high.

Helped by an improvement in the status of some Argentine loans, they had slipped from a third-quarter peak of \$4.8bn to \$4.2bn at the end of 1985, but they are still higher than common stockholders equity of \$3.8bn.

To its credit, the group has substantially increased its loan loss reserve ratio to an above average 1.88 per cent at the end of the year and the primary capital ratio has been raised from 4.05 per cent at the end of 1982 to 6.11 per cent at the end of 1985.

However, these improvements have been at a substantial cost. The annual dividend which was growing faster than the rate of inflation in the 1970s has been discontinued, and BankAmerica shares have fallen from over \$30, five years ago, to \$12.25 currently.

By contrast the shares of former arch rival Citicorp, which just five years ago was smaller and less profitable, have appreciated by more than 50 per cent.

The bank is shrinking and because of still well publicised problems has not been able to take full

advantage of the rapid changes now under way in the US. Senior executives, who had been hired to strengthen management, have quit in recent months.

Mr Armacost says he is "confident" the bank has addressed the problems in its credit portfolio. "With moderate economic growth in a reasonably stable environment, we look forward to lower loan losses and a year of progress for the corporation."

But many Wall Street analysts remain sceptical. They have been caught out before by BankAmerica's surprisingly disappointing performance and many who were tipping the shares for recovery at \$19 are not prepared to say the worst is over. A deteriorating real estate market as well as the recent drop in oil prices will put increasing pressure on some of the bank's key customers.

Mr Don Crowley of Keefe, Bruyette and Woods, which specialises in analysing bank stocks, said: "You cannot speak with conviction that the worst is behind the group."

Inevitably, the latest earnings figures have refuelled speculation on Wall Street that BankAmerica is overdue for a management shake-up. Mr Armacost and Mr Leland Frussa, the 56-year-old chairman, have been running the group since April 1981. The time is ripe, say some analysts, for a fresh approach to BankAmerica's deep seated problems.

Société Générale says group advance estimated at 30%

BY DAVID MARSH IN PARIS

SOCIÉTÉ GÉNÉRALE, the third largest French nationalised bank, said it estimates that group profits last year rose more than 30 per cent above the 1984 level of FFr 627m (\$122.9m) with credit demand from private clients remaining strong in the second half. It stressed that the estimate did not make allowance for "exceptional elements."

Although 100 per cent of Société Générale's voting capital is owned by the state, 16 per cent of its equity is now in the form of voting preference shares (certificats d'intressement), held by private investors. The bank is probably the most likely candidate for prompt privatisation of France's "big three"

nationalised banks if a right-wing government returns to power after general elections in March.

The bank said development of new financial products also continued at a buoyant level, helping to compensate for reduction in loan demand from the bank's traditional big industry clients.

European American Bank in which Société Générale has a holding along with other international banks, registered a profit last year after losses in 1984.

● Banque de l'Union Européenne (BUE), part of the network of the state-owned Crédit Industriel et Commercial banking group, said its net profits rose to FFr 60m last year from FFr 23m. Overall profits from the BUE group look likely to be more than FFr 110m, with favourable operating conditions enabling the bank last year to continue staking out provisions on doubtful credit risks.

● Spie Batignolles, the French construction company which is part of the Bouygues Schneider industrial group, is taking a 20 per cent stake in Comstock, a leading US electrical engineering company with turnover of \$400m in 1984.

The acquisition, for which Spie Batignolles gave no purchase price, has been agreed along with an option for the company to take a further 10 per cent.

Three months ago Professor Romano Prodi, chairman of the IRI state holding group that controls Alfa, took action to try to reverse the situation. He appointed Mr Giuseppe Tramontana, then the chief executive of Montedison, Italy's largest maker of man-made fibres, to become Alfa's group managing director.

The appointment of the 49-year-old Mr Tramontana, one of the toughest managers in Italian industry, was applauded by all concerned with the future of Alfa Romeo.

Texas Commerce falls into red during quarter

BY OUR NEW YORK STAFF

TEXAS COMMERCE Bancshares, one of the biggest and most successful banks in Texas, yesterday reported a \$28.8m loss in its final quarter and sharply higher non-performing loans.

The bank's performance is the latest indication of the impact of the financial toll it is taking on the shanty in the real estate and energy industries in Texas.

Texas Commerce's fourth-quarter loss follows a \$155m provision which was more than double the level of actual loan losses, the group said.

For the full year Texas Commerce took provisions of \$316m against loan losses, compared with \$77m in 1984.

The group says the 1985 provisions are \$130m in excess of actual loan losses and that the move has boosted the bank's reserve against loan losses from \$151m, or 1.13 per cent of loans, at the end of 1984 to \$261m, or 2.1 per cent of loans, at the end of 1985.

The company reported fourth-quarter net loan losses of \$72m. Some \$19m was related to energy loans, \$20m to real estate and \$34m to the non-energy commercial sector.

The group's non-performing assets at the end of the year totalled \$654m, or 4.9 per cent of total loans.

Canadian bank seeks new support package

BY BERNARD SIMON IN TORONTO

CONTINENTAL BANK of Canada, whose stability was threatened by a sudden run on deposits last autumn, is seeking to renew the C\$2.9bn (US\$2.07bn) support package provided by the Bank of Canada and the country's six big banks.

Continental's newly appointed chairman, Mr David Lewis told the annual meeting yesterday that depositors were starting to return but that "we must accept that it is going to take many months before confidence recovers fully."

Mr Lewis said the bank is "in uncharted waters." Continental has used up C\$2.3-C\$2.4bn of the support package.

To give it more breathing space, the Bank of Canada has agreed to extend a C\$1.4bn term loan to the end of July and to provide any extra support to maintain the bank's liquidity.

Mr Lewis said the C\$1.5bn credit facility with the six private banks initially provided for three months, is in the process of being renewed.

Other efforts to secure Continental's future have included an agreement by Canada's 10 largest investment dealers to make a market in the bank's paper and extensive discussions to reassure large wholesale depositors and other financial institutions.

GE cuts turbine plant jobs

By Our New York Correspondent

GENERAL ELECTRIC (GE), the diversified US electrical group, is to impose job cuts of almost 9 per cent in its turbine group this year because of "ferocious" overseas competition and a crippling downturn in the domestic market.

The announcement of the redundancies, amounting to 1,500 from a workforce of 17,000, was accompanied by a sharp slide in foreign export credits from Mr George Cox, GE's area executive for Schenectady, New York state, where the group manufactures its power generation equipment.

He cited a number of foreign companies, particularly Mitsubishi, Toshiba and Hitachi of Japan, which were able to sell at lower prices because their governments provided attractive financing to customers.

"I'm tempted to take exception to the word 'marketplace' these days," said Mr Cox. "It's not just a marketplace anymore. It's a battlefield."

There is no suggestion that GE will withdraw from the power systems business, which it regards as one of its main "core" activities, but yesterday's announcement indicated that the group has decided to cut deeply into costs to defend its position in this area.

Commercial computer sales aid Sperry result

BY OUR NEW YORK CORRESPONDENT

SPERRY, the US computer and defence group, lifted earnings by 11 per cent in its third quarter to the end of December, but only because a \$12.7m charge in the same period of 1984 depressed the figures in that year.

Net income amounted to \$67.9m or \$1.20 a share, against \$61.2m, or \$1.10 a share, in 1984, while sales were up by over 7 per cent at \$1.4bn from \$1.3bn. If the profits figures were adjusted for the previous year's charge, Sperry said that income would have declined by 9 per cent.

The quarterly outcome reflected a strong 11 per cent gain in profits from the commercial computer operations in the quarter, but a sharp

16 per cent fall in earnings from the defence and aerospace division, primarily because of a strike at the group's Great Neck, Long Island facilities.

Orders for commercial computers rose "modestly" in the quarter, the company said, but were down in defence and aerospace.

Mr Gerald Probst, chairman and chief executive, gave a cautious assessment of the computer market, which has received mixed reports from different companies over the last few days.

In the first nine months of the year, Sperry lost \$68.5m, or \$1.20 a share, against earnings of \$180.8m, or \$3.26 a share, in the same period of 1984.

AMR boosts earnings to record level

By Our New York Correspondent

AMR, the parent company of American Airlines, the second largest US carrier, achieved its third consecutive year of record earnings in 1985 despite a sharp slowdown in the rate of growth in the final quarter.

Net income amounted to \$345.8m, or \$5.94 a share, against \$233.9m, or \$4.37 a share, in 1984, while revenues grew to \$6.13bn from \$5.35bn. In the fourth quarter, earnings were virtually flat at \$94.4m, or 39 cents a share, compared with \$23.6m, or 37 cents a share.

American's operating earnings also reached a record at \$536.5m a 46 per cent increase on the previous year's \$368.5m, as the increase in revenues outstripped the rise in operating expenses. Despite a fall in the carrier's yield - the average amount of revenue per passenger mile - operating expenses per available seat mile declined by 3.2 per cent mainly because of the airline's cost-cutting measures.

Mr Robert Crandall, chairman, warned that the job of reducing costs was "far from complete." Referring to the outbreak of a new oil-price war in the industry, he said that the company would have to drive down further the cost of each of its seat miles.

Klöckner, CRA strengthen link

By Rupert Cornwell in Bonn

KLÖCKNER-WERKE, the major West German steel maker, is stepping up its co-operation with CRA, the Australian mining group, for the development of Klöckner's steel technology. The co-operation will centre on Klöckner's oxygen bottom-blown converter process.

Under the agreement, effective from January 1 this year, CRA is taking a 50 per cent beneficial interest in the process, and will contribute half the cost of future research and development.

The deal is a sign of the determination of the two companies to strengthen their alliance, despite the effective collapse last July of plans to merge the steel divisions of Klöckner and Krupp, another major West German steel concern. CRA would have taken 35 per cent of the capital of the envisaged venture, but has been called Stahlwerke Krupp-Klöckner (SKK).

In the aftermath of the merger's call-off, Klöckner plans to go ahead with its original plans to hive off (not sell off as previously stated in an FT headline) its steel division, along the lines of reorganisations already pushed through by other West German steel companies, including Krupp.

Austria paper group launches rights issue

By Patrick Blum in Vienna

LEYKAM Murzstaler Papier und Zellstoff, Austria's largest paper and pulp manufacturer, has launched a four-for-one rights issue to raise Sch 420m (\$17m) as part of an extensive programme to expand production at its main paper mill at Gratkorn in Styria.

The company is issuing 168,000 new shares of Sch 1,000 nominal value each to be sold at Sch 2,500 each until February 3. Trading in each until February 3. Trading in the rights will be for a more limited period from January 28 to 30. The issue will raise the company's nominal share capital from Sch 672m to Sch 840m.

Leykam was one of the star performers on the Vienna Bourse last year with individual Sch 100 shares rising from Sch 118 in January to Sch 493 at the end of December. The share issue is the first by an Austrian company taking advantage of new Austrian tax rules that favour new share issues and became effective at the beginning of this year.

In 1984, the company made a net profit of Sch 422m from sales worth Sch 5.4bn and it expects similar profits for 1985 despite lower sales of about Sch 4.5bn

BASF set to suspend methanol plant output

BY TONY JACKSON IN LONDON

BASF, the West German chemicals group is to close its 230,000 tonne methanol plant at Ludwigshafen. The company blamed the high price of natural gas feedstock for the decision.

The group plans to build a new 240,000 tonne plant at Ludwigshafen, using by-products from its acetylene plant. The original intention was to run the older plant until the new one was completed in late 1987, but BASF has calculated that it will be cheaper to buy on the open market until the plant is completed.

The group said that natural gas prices in West Germany were around 20 per cent higher than in the Netherlands. "As a result, production costs in Ludwigshafen had been appreciably higher than the purchase price of methanol for some time," BASF said.

The group uses methanol chiefly in the production of formaldehyde, and has previously bought between 100,000 and 200,000 tonnes annually in addition to its own production.

AT&T abandons data system

BY OUR NEW YORK CORRESPONDENT

AT&T, the US long-distance telephone group, is abandoning its Net 1000 data transmission system in a further shake-out of the US market for business-oriented computer communications networks.

The move, which is expected to lead to a small charge, follows the company's earlier withdrawal from a joint venture with United Technologies, the Connecticut-based conglomerate, to provide information services to tenants in individual buildings.

Last week, GTE and United Tel-

Union Bank enters joint venture

BY JOHN WICKS IN ZURICH

UNION BANK of Switzerland (UBS) has entered a joint venture with the West German precious metal refiner W. C. Heraeus by which Heraeus will acquire a 25 per cent stake in the UBS subsidiary, Argon.

Heraeus is one of the most important processors of gold and silver in the world, with operations in Eu-

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December, 1985

Kaiser Aluminum returns \$107m fourth-quarter loss

BY OUR FINANCIAL STAFF

KAISER ALUMINUM suffered a 1985 fourth-quarter loss of \$107.8m compared with net profits of \$3.9m, or 7 cents a share, in the same period of 1984. The loss includes a revised after-tax charge of \$119.2m in asset write-downs.

Fourth-quarter sales were \$512.5m against \$520.8m, bringing the total for 1985 to \$2.02bn compared with \$2.16bn.

Losses for the year from continuing operations came to \$178.2m against \$31.1m. Losses of discontinued operations of \$3.2m and on the disposition of discontinued operations of \$5m made a final loss of \$186.5m compared with \$97.4m.

Pre-tax operating income of \$23.5m in the fourth quarter compared with a loss of \$16.1m.

Results for 1984 have been restated to reflect a change to first-in first-out from last-in first-out accounting for about 60 per cent of the company's inventories. This change improved pre-tax results in the fourth quarters of 1985 and 1984 by \$35.8m and \$58.1m respectively.

The investor group led by Oklahoma businessman J. A. Frates said it will attempt to oust Kaiser's board and replace it with its own nominees who would support its rejected \$788m bid. The Frates group holds 18.5 per cent.

Kaiser replied to notification of the Frates move by saying its board and management had previously thoroughly reviewed Mr Frates' "highly speculative and conditional proposal as well as the credentials of his group and have found that they have nothing at all to offer Kaiser Aluminum shareholders."

Kaiser said it believed the best interests of its shareholders would be served by the continued implementation of the corporation's strategic plan and its recently announced restructuring programme.

Kaiser said it would vigorously oppose the Frates action and urged shareholders not to sign any consent forms they may have received from the Frates group.

Diamond Shamrock falls into the red

By William Hall in New York

DIAMOND SHAMROCK, the Dallas-based energy group which announced a major restructuring last summer has reported a net loss of \$904.7m, or \$3.09 a share, for 1985, compared with net income of \$242.2m, or \$1.78 a share for 1984.

The loss was due to an already reported after-tax write down of \$810.3m of the group's Indonesian oil and gas properties. Excluding the write down, earnings for 1985 were \$205.6m, or \$1.53 a share. The group's revenues in 1985 fell by 8.5 per cent to \$4.1bn.

The group's fourth-quarter earnings dropped by 18 per cent to \$47.8m primarily because of the drop in oil and gas prices. The group's North American crude oil production rose 7.2 per cent but the price fell by 7.4 per cent.

Natural gas production in North America fell by 11.1 per cent because of lower demand and because Diamond Shamrock had spun off its offshore properties in the Gulf of Mexico, to the new limited partnership, Diamond Shamrock Offshore Partners.

Its natural gas earnings were significantly affected by a 10.5 per cent drop in prices in the final quarter. Mr William E. Bricker, Diamond Shamrock's chief executive, said: "As we enter 1986, the oil and gas industry faces excess production worldwide and intense competition which keeps downward pressure on prices."

North Broken Hill moves against Brierley

BY MICHAEL THOMPSON-NOEL IN SYDNEY

NORTH BROKEN HILL Holdings (NBH), the Australian mining and investment company, yesterday launched an aggressive defence of Mr Ron Brierley's AS2.50 (US\$1.78) a share partial takeover offer for an additional 100m NBH shares.

Mr Brierley plans to raise his stake in NBH from 17.7 per cent to fractionally over 40 per cent.

In a letter to shareholders, NBH maintains that the offer by Industrial Equity (IEL), Mr Brierley's Australia-based investment company, offers no premium and is a "partial bid for a company that has posted major operating gains in a tough market environment."

Mr Brierley is proposing to demerge NBH in a sale of assets calculated to raise about AS1.35bn.

NBH assets include EZ Industries, Associated Pulp and Paper Manufacturers, as well as 12 per cent of aluminium producer Alcoa of Australia.

When launching its bid last week, IEL said it believed NBH "has outlived its use as a corporate entity." It said its planned action would cut costs and enhance the value of shareholders' investment.

Dominion Textile aided by takeover

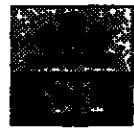
By Robert Gibbons in Montreal

DOMINION TEXTILE, Canada's largest primary textile and fabrics group, returned to the black in the second quarter ended December 31, partly because of a takeover of another textiles producer and because of further rationalisation.

Earnings were C\$4m (US\$2.8m), or 24 cents a share, on sales of C\$247m. A year earlier earnings were C\$148,000 on sales of C\$196m. However, the first half of fiscal 1986 showed a loss of C\$2.8m on sales of C\$428m, against a loss of C\$2m on sales of C\$366m.

This announcement appears as a matter of record only. It does not constitute an offer to sell nor a solicitation of an offer to buy these securities.

U.S. \$150,000,000



Crédit Lyonnais

Floating Rate Notes Due January 1993

Shearson Lehman Brothers International

January, 1986

N. AMERICAN QUARTERLIES

AMERICAN BRANDS Tobacco products, office supplies		AMERITRUST Bank holding company	
1985	1984	1985	1984
Fourth quarter	\$	Fourth quarter	\$
Revenue	1,940m	Revenue	21.1m
Net profit	132.6m	Net profit	1.13
Net per share	1.56	Net per share	0.04
Year		Year	
Revenue	7,311m	Revenue	86.4m
Net profit	425.67m	Net profit	4.30
Net per share	7.34	Net per share	3.77
AMERICAN HOUSE PRODUCTS Drugs, household products		COMMONWEALTH EDISON Utility	
1985	1984	1985	1984
Fourth quarter	\$	Fourth quarter	\$
Revenue	1,100m	Revenue	1,100m
Net profit	182.7m	Net profit	202.7m
Net per share	1.21	Net per share	0.98
Year		Year	
Revenue	4,886m	Revenue	4,886m
Net profit	717.54m	Net profit	781.2m
Net per share	4.70	Net per share	4.43

Continued on Page 33

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.
on 20th January, 1986 U.S. \$108.86

Listed on the Amsterdam Stock Exchange

Information: Plesner, Holding & Plesner N.V.,
Haringracht 214, 1016 BS Amsterdam.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE JANUARY 17, 1986

Redemption on Week	Yield	Change	
		12 Months	12 Months
		High	Low
US Dollar	10.150	-0.246	12.260
Canadian Dollar	11.543	1.557	13.190
Eurodollar	6.096	0.197	7.790
Euro Currency Unit	9.524	0.443	10.330
Sterling	11.763	0.427	11.763
Deutschemark	6.813	-1.943	7.830

Bank J. Vontobel & Co. Ltd., Zurich - Telex: 812744 JVZ CH

This announcement appears as a matter of record only.



ATLAS COPCO AB

(Incorporated with limited liability in the Kingdom of Sweden)

U.S. \$50,000,000
Euro-Commercial Paper Programme

The undersigned are pleased to announce the commencement of the Programme for which they will act as Dealers.

Enskilda Securities
Skandinaviska Enskilda Limited

Swiss Bank Corporation International Limited

January, 1986



Kingdom of Spain

U.S. \$375,000,000
Floating Rate Notes Due 2005

Holder of Notes of the above issue are hereby notified that for the fifth Interest Sub-period from 23rd January, 1986 to 24th February, 1986 the following will apply:

- Interest Payment Date: 20th March, 1986
- Rate of Interest for Sub-period: 87.5% per annum
- Interest Amount payable for Sub-period: USS 72.77 per USS 10,000 nominal USS 1,819.44 per USS 250,000 nominal
- Accumulated Interest Amount payable: USS 359.73 per USS 10,000 nominal USS 8,993.49 per USS 250,000 nominal
- Next Interest Sub-period will be from 24th February, 1986 to 20th March, 1986.

Agent Bank
Bank of America International Limited

Inter-American Development Bank
12 3/4% Loan Stock 2003

Pursuant to the Purchase Agency Agreement relating to the above issue, this notice confirms that none of the above stock was purchased and cancelled during the six months to, and in respect of the Purchase Year ending, January 8th, 1986.

Baring Brothers & Co. Limited
Purchase Agent
for
Inter-American Development Bank



Manufacturers Hanover

has arranged

Swaps Exceeding \$15 Billion in 1985

Swaps are among our rate risk management tools including:

- Interest Rate Swaps
- Cross Currency Swaps
- Non-Dollar Interest Rate Swaps
- Floating Rate Basis Swaps
- Asset Based Swaps
- Syndicated Swaps
- Tax-Exempt Swaps
- Forward Rate Agreements
- Delayed Rate Fixing Options
- Swap Options
- Amortizing Swaps
- Callable/Putable Swaps
- Unwinds
- Interest Rate Caps and Floors

Swapped and Capped Capital Market Issues and Loans

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INTERNATIONAL COMPANIES and FINANCE

Decisions today on Pan-Electric

BY CHRIS SHERWELL IN SINGAPORE AND WONG SULONG IN KUALA LUMPUR

MR TAN KOON SWAN, the Malaysian businessman and politician now held in custody in Singapore, will learn today whether he faces criminal charges over his involvement with Pan-Electric Industries, the marine salvage, property and hotel concern which is, now in receivership.

Mr Tan was detained by Singapore's Commercial Affairs Investigation Department on Monday and underwent a second day of questioning yesterday. Under Singapore law he should be formally charged or released by today. He is currently being held on suspicion of having committed an offence.

In Malaysia, branches of Supreme Finance, which is linked to Supreme Corporation, one of the quoted companies controlled by Mr Tan, experienced a run on their deposits, the second since the Pan Electric crisis broke in November.

Bank Negara, the central bank, issued a statement saying the finance company could meet its liabilities and that, if necessary, funds would be made available to ensure this. "I should assure the public that Supreme Finance is liquid and will be able to meet its



Mr Tan Koon Swan (right) being led away.

deposit liabilities," Mr Jaffar Hussein, the Bank of Negara governor, said in a statement. "If necessary, Bank Negara Malaysia will make sufficient funds available to the finance company to ensure this. "I should stress that the

coalition, representing the Chinese community.

About 200 party members staged a peaceful one-and-a-half hour demonstration outside the Singapore High Commission in the morning. Placards said Mr Tan should not be "made a scapegoat" over the Pan-Electric affair. Three of his senior party colleagues later flew to Singapore in a bid to learn further details.

Pan-Electric's 37 creditor banks are meanwhile, due to meet in Singapore today to decide whether to press on with plans to restructure the company or sell off its assets. The meeting could finally settle the company's fate. Pan-Electric was placed in receivership at the end of November owing a total of S\$400m (US\$188m). Its inability to meet obligations to purchase S\$140m worth of shares raised fears of a chain of broker defaults and provoked the unprecedented closure of the Singapore and Kuala Lumpur stock exchanges for three days in early December.

Yesterday the Singapore market hit its lowest point since re-opening. The widely watched Straits Times index of 30 industrial stocks fell another 11.48 points to 588.61, a 30-month low.

banking system in Malaysia is stable and sound." In Kuala Lumpur the Malaysian cabinet made no statement after its regular meeting. The party Mr Tan leads, the Malaysian Chinese Association, is a senior partner in the ruling

Bumiputra report to be published in full

By Our Kuala Lumpur Correspondent

THE Malaysian Government yesterday reversed its decision to withhold a controversial report on the country's biggest financial scandal involving the loss of more than US\$1bn by the state-owned Bank Bumiputra, and announced that the 1,057-page document would be released in full through Parliament in March.

Datuk Rais Yatim, Information Minister, said the Cabinet, at its meeting yesterday, decided the Government would also issue a White Paper to accompany the report. The Government would allow members of Parliament to debate both documents.

The decision to release the report, compiled by an investigation committee, headed by Tan Sri Ahmad Noorain, the Auditor-General, follows increasing public pressure for its publication.

Many Cabinet ministers have privately expressed concern over the damage to the Government's credibility by the refusal to release the report, and the Cabinet's decision yesterday has defused the controversy.

Earlier, in declining to make public the report, Dr Mahathir, the Prime Minister, said the Government had nothing to hide, but would not take responsibility for any legal suits that could arise. He was also unhappy that certain people had been named in the report without the investigation committee interviewing them for their views, and the White Paper is expected to put their involvement in perspective.

The Ahmad Noorain investigation committee found that Bank Bumiputra, through Bumiputra Malaysia Finance, a Hong Kong subsidiary, had given out more than US\$1bn in loans to Hong Kong property speculators, including the Carrion company, and its chief, Mr George Tan, between 1979 and 1983, and most of this money went into two dollar companies registered in Liberia.

Mr George Tan is being detained in Hong Kong, while Mr Lorrain Osman and Mr Hashim Shamsuddin, former Bank Bumiputra directors, are in remand in London to face charges of conspiracy, bribery and corruption relating to the loans.

Zim returns to profit

By David Lennon in Tel Aviv

ZIM, the Israeli state shipping company which was on the verge of collapse a year ago, has reported a net profit for 1985 of US\$8.2m on a turnover of \$702m. The net loss in 1984 was \$45m.

The profit was achieved after paying the banks interest charges in full and redeeming \$60m in debts.

While new production methods will cut costs compared with the R18, the R21 is bigger and contains more features — such as a more sophisticated suspension system and more electronics — so it will cost more. Mr Dubrulle says it will be priced competitively with the sector leader in each country.

The European range will comprise 11 versions with five engine levels, two gearboxes and four equipment levels. R21 has a new floorpan as well as the new suspension system, but the engine, a 1.7 litre petrol mounted transversely, a 2 litre petrol, mounted "north-to-south" although still driving the front wheels, and a 2.1 litre diesel, are already being employed in other Renault cars.

Mr Dubrulle believes the R21 gives Renault a good chance to polish up its rather tarnished image in France — an image which should be improving as the group reports better financial results.

"We have a new top management team and step by step the French people will see the company is recovering," he says.

Quite naturally, the corporate image has an effect on sales of new products but the R21 gives us the opportunity to renew the enthusiasm of our dealers, to tackle the market again. And you must remember people buy cars because of the cars.

"If the car is attractive and offers value for money, people will buy it. We have a good example of that in the R25 (introduced late in 1984), the biggest luxury car success ever seen in France. That shows if the car is right you can sell it — whatever problems you might be experiencing with your image."

Renault forecasts big reduction in deficit

BY PAUL BETTS IN SANDOUILLE, NEAR LE HAVRE

RENAULT, the French state-owned financially troubled car group, has begun a slow recovery and expects to have losses to around FFR 5bn (€795m) in 1986, a far cry from a record loss of FFR 12.5bn in 1984.

The group, which was losing about FFR 1bn a month during the first half of last year, is now likely to report a loss of about FFR 1.8bn for the whole of 1985.

This recovery reflects a gradual improvement in financial performance in the final months of last year. Group sales are expected to increase by between 3 and 5 per cent to more than FFR 120bn for 1985.

Although the French domestic car market continues to be depressed, with registrations totalling only 1.76m last year, Renault is starting to benefit from a wide-spread restructuring programme undertaken by Mr

George Besse, the state group's chairman. Mr Besse said last summer it would take about three years for Renault to resolve its financial difficulties.

Renault will also continue to need the financial support of its state shareholder to help its recovery. After obtaining FFR 5bn in capital grants and about FFR 2bn in soft loans from the Government, it is expected to receive again at least FFR 5bn in capital grants from the state this year and additional loans.

The group is understood to require about FFR 20bn in support over the three-year period, 1985-1987, to finance its recovery.

The main factors behind the gradual improvement include: ● The impact of large-scale job cuts is starting to be felt. Between October 1984 and the end of this year, Renault will have shed a total of about 25,000 jobs in its car operations worldwide and a

further 5,000 jobs in its other subsidiaries including the large truck division. By the end of this year, the workforce of the French car division will decline to 76,000 from 85,000 at the end of last month.

● Sales are expected to be boosted by the launch next March of the new R21 medium-range saloon car. Renault's Super 5 mini, after a slow start, is continuing to sell well.

● Mr Besse has launched a major cost-saving programme and shed non-strategic assets. However, Renault has radically changed Renault's corporate culture. He has placed the emphasis on Renault's traditional car operations, which have been taken under his direct charge. Businesses like trucks and tractors are run increasingly as independent subsidiaries responsible for their own recovery.

Although Renault has seen its export rise last year, with

gains of more than 10 per cent in several European markets, a major problem that remains is its sales performance in France — a market which accounts for nearly 50 per cent of total sales.

Renault officials said the group continued to suffer "an image problem" in France. Penetration last year declined to just under 29 per cent of the domestic market. Mr Besse has now launched a bold attempt to improve the domestic image including a Press campaign based on the theme of Renault's "determination" to recover.

American Motor Corporation (AMC), in which Renault holds a 46 per cent stake, is expected to have another difficult year in 1986. But AMC will have a wider model range in 1987, including American models of the R21, the Renault Alpine and a new car for the US market manufactured at AMC's new Canadian plant.

Further recovery hopes pinned on new car

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

RENAULT today gives full details of the R21 car it is to launch in March, a model on which the state-owned French group's recovery in Western Europe heavily depends and is its next major contender in the US.

The R21 is also expected to put Renault back at the top of the French car market as well as having the potential to contribute greatly to the group's drive towards profitability after record losses of FFR 12.5bn (€1.66bn) in 1984.

Launch of the R21 is the culmination of Renault's product-led recovery programme involving total investment of FFR 28.5bn between 1983 and 1985, including FFR 5bn for the new model.

The company claims that, once the R21 is on the road, it will have the largest and youngest car range of any Western European producer.

This claim is significant because Renault insists the reason it fell from top position in Western European car sales to sixth in the past two years is that its product renewal programme was lagging those of its five main competitors—the Volkswagen-Audi group, Fiat, Ford, General Motors and the Peugeot-Citroen-Talbot combine.

The R21 replaces the R18, introduced in April 1978, but is slightly bigger and better equipped. It competes in the upper-medium sector of the market which in Western Europe last year accounted for 2.65m registrations, or 26 per cent of the total.

Competitors include the Ford Sierra, the General Motors Opel Ascona/Vauxhall Cavalier, the Audi 80/90 models, the Volkswagen Passat and the Peugeot 305 (to be replaced by the Peugeot 405 before the end of next year) and the Fiat Croma, to be launched shortly.

The R18 once captured nearly 3 per cent of the sector in Western Europe but Renault says competition is so much

greater today the R21 cannot be expected to match that performance.

Nor does Renault expect the R21 to recapture the peak 9 per cent market share the R18 once reached in France.

Sales of the R18 faded badly last year and only 96,000 were produced, down from 152,000 in 1984 and 227,000 the previous year.

So Mr Michel Dubrulle, Renault's marketing director, believes that in France in 1986 the R21 can double the R18's recent share of the market by

that helps balance the production at all its facilities as well as giving the company more flexibility as demand changes.

R21 will have its first public showing at the Geneva Motor Show in March and immediately be launched in France. Introduction in other major European markets will be staggered over the following months and the new model will reach the UK in June.

While new production methods will cut costs compared with the R18, the R21 is bigger and contains more features — such as a more sophisticated suspension system and more electronics — so it will cost more. Mr Dubrulle says it will be priced competitively with the sector leader in each country.

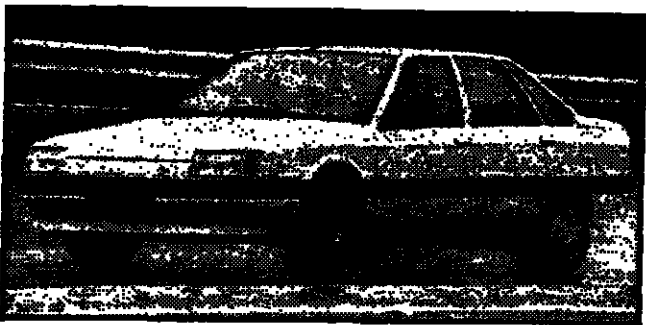
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The R21: contender for the US market.

taking 7 per cent and give the group an important psychological boost by overtaking the Citroen BX, the current upper medium sector leader and the new model's most important domestic rival.

This should help add 1 per cent to Renault's West European market share, taking it to 12 per cent, and possibly put the French group ahead of Ford and General Motors again.

By the middle of 1986, says Mr Dubrulle, output of the R21 should have risen in steady stages to 1,400 a day or an annual rate of roughly 320,000.

This is only about half the potential production rate for the new B5 small car, introduced in August 1984, but, because larger models are more profitable, the R21 is as impor-

tant to Renault's financial recovery as the R5 in terms of revenue generated by volume.

All the more so because, while the R5 is not exported to the US, the R21 will be, probably from the beginning of next year. Mr Dubrulle says that, while the R21 has good potential in the US, it is too early yet to give any indication of the numbers to be exported completely built-up to the French group's associate, American Motors.

Launch of the R21 will help compensate for the rapidly-falling sales of the R9 and R11 models in the US, built locally by AMC and where they are known as the Alliance and Encore.

AMC, in which Renault has so far invested \$645m and owns a 46.1 per cent shareholding, sustained large warranty costs on Alliance and Encore. Mr Dubrulle says this was mainly because of corrosion but these problems have now been solved completely. New engineering, design and manufacturing methods will also ensure the R21 does not suffer the same difficulties in the US.

By the time of the American launch a revolutionary new four-speed automatic gearbox, jointly developed by Renault and Volkswagen, should be in production. It features the automatic—vital for the US models — has been delayed nearly a year, but Mr Dubrulle says: "We are told it will be available for the US launch."

The main production plant for the R21 is Sandouille, near Le Havre, in France, where about half the FFR 5bn investment in the model has been spent on capital equipment. But Renault will also assemble the R21 at Haren and Douai in France as well as Munching in Belgium—where the US versions will almost certainly be produced—and eventually in Spain. The model might also be built in Argentina.

Renault prefers to spread production of volume car models around its factories rather than have each one produced in vast quantities from a single plant because

BEAR STEARNS

We are pleased to announce that the following have joined our firm as Associate Directors and to form the

Interest Rate and Currency Swaps Department

Victoria D. Blake London

J. Michael Payte New York

James J. Smith New York

Kathleen J. Yoh New York

Telephone: New York (212) 952-3150 London (01) 626-5656

Bear, Stearns & Co. Inc.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco Amsterdam/Geneva/Hong Kong/London/Paris

January 1986

This announcement appears as a matter of record only

Oy Stockmann Ab

Issue of 100,000 Free Series B Shares of FIM 20 per share

The undersigned underwrote the issue and arranged for the placing of these shares with institutional investors

Hambros Bank Limited

Aleksanterinkatu 45B SF-00100 Helsinki 10

41 Bishopgate London EC2P 4AA

This announcement appears as a matter of record only



EUTELSAT

European Telecommunications Satellite Organization

ECU 50,000,000 9% Notes due 1993

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Banco di Roma. Banque Nationale de Paris. Creditanstalt-Bankverein. Dresdner Bank AG. Reuschel & Co. Lloyds Merchant Bank Limited. Société Générale

January 9, 1986



Offshore Mining Company Limited U.S.\$100,000,000 Guaranteed Floating Rate Notes due 1986

For the six months 23rd January, 1986 to 23rd July, 1986

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 8 1/2 per cent and that the interest payable on the relevant interest payment date, 23rd July, 1986 against Coupon No. 16 will be U.S.\$42.11.

By: Morgan Guaranty Trust Company of New York, London, Agent Bank.



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INTERNATIONAL COMPANIES and FINANCE

Attractive terms on Belgian floater

BY MAGGIE URRY

BELGIUM yesterday regained its popularity as a floating-rate note issuer by launching a \$400m deal on terms regarded as attractive. The country's last deal left some holders with losses, but this new one was trading at a level profitable to banks in the syndicate.

with 200,000 warrants to buy bonds. The host bonds have a 10-year life and a 10 per cent coupon and are issued at 100. After five years these bonds can be called at 101 and then at prices declining by 1 point each year. Fees are 2 per cent.

The warrants each cost \$50 and cannot be exercised for the first five years. During that time they will carry interest at 10 per cent. After five years the warrants can be used to buy a 11 1/2 per cent non-callable bond maturing in 1996 at par. Two warrants are needed to buy \$1,000 worth of this second bond. If they are not exercised they will be redeemed at \$50.

The floater was not seen to be trading much, as its small size and complexity deterred investors. The lead manager declined to comment on the details of the swap.

Hungry traders welcome DM issue by CNT

CAISSE NATIONALE des Telecommunications (CNT), the French state-owned utility, met a strong response in the D-Mark Eurobond market yesterday for a DM 200m 10-year issue.

by Westdeutsche Landesbank was trading around 99 1/2, well inside the 2 1/2 per cent fees.

Milan or Basle-traded shares launched by Daiwa Europe for Goodyear. Tire and Rubber raising Y10bn. The 10-year bonds pay a 6 1/2 per cent coupon and are priced at par.

was seen. A new issue for Credit Foncier was launched by Societe, which won the majority against competitive bidding.

Victor Maruri joins CSFB

MR VICTOR MARURI, a leading figure in the Eurobond floating rate note market, is joining Credit Suisse First Boston (CSFB).

Sea-Land in deal to avoid proxy battle

SEA-LAND, the US shipping group, has reached an understanding with Mr Harold Simmons, the Dallas investor, to avoid a potentially bitter proxy battle over Mr Simmons' \$80m bid for the group.

acquires 40 per cent or more of the company, Sea-Land may redeem the rights in connection with a merger which the present directors determine to be in the best interests of the company.

for Turin bank. Istituto Bancario San Paolo di Torino is to launch a Euro-commercial paper and Euro-certificate of deposit programme totalling \$250m or its equivalent in European Currency Units (Ecu).

Barclays to sell £5,000 currency options

By Peter Montagnon, Euromarkets Correspondent

BARCLAYS BANK is to bring currency options within the reach of its smaller customers through the launch next week of dollar/sterling exchange rate option certificates with denominations of £5,000.

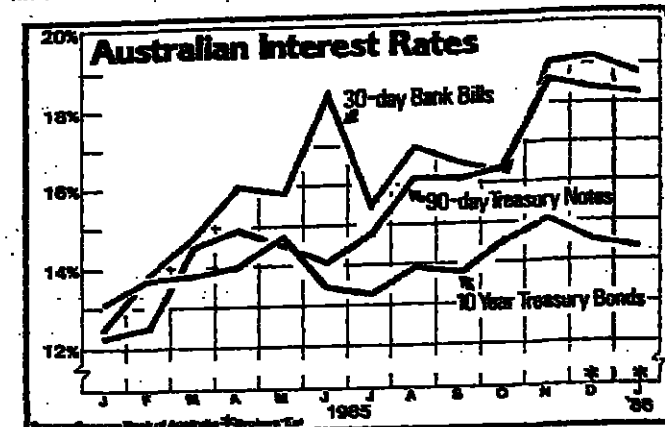
Australian lenders rush to lock into short-term rates

BY TERRY POVEY, RECENTLY IN SYDNEY

LEND SHORT, lend often is the word on Australian money markets as the premiums on short-term bills hover almost 3 per cent above the 14.35 per cent rate for 10-year Treasury bonds.

capital) is estimated to be running at the equivalent of half of the total export of goods and services. In 1984-85 interest payments alone on the country's \$52bn of debts were around \$400m a month - a figure which will almost certainly be higher in this fiscal year.

the latter - apart from anything else, it is easier to blame on outside factors, and therefore politically less damaging in a year that will see the run up to the next election.



The current inverse interest rate yield curve (the premium of the short end over the long) came about in February 1985, when the government began using short-term rate rises as its prime instrument to prop up the ailing Australian dollar.

Further - perhaps breaking well and truly through the 65 US cents level - and, if the same defensive tactics are applied, interest rates will have to rise again.

for investors is when (or whether) to make the switch. February is also some speculative US money interest in the long end (which Mr Patrick O'Leary of brokers McCaughan Dyson believe could hit 18 1/2 per cent).

The December current figures were worse than the most pessimistic of forecasts and the outlook for January's current account is traditionally poor for seasonal reasons.

There are two serious arguments against this view. The first is that the market has already discounted the bad news. The second is a possible determination of Mr Paul Keating, Australia's Treasurer, to hold the AS at 65 to 70 US cents. It is not clear whether the government can afford politically to defend the AS any longer.

And what should the domestic corporate treasurer do? He puts his money on the street, according to Mr Larry Adler of FAI Insurance.

FT INTERNATIONAL BOND SERVICE

Listed are the 300 latest international bonds for which there is an adequate secondary market. Closing prices on January 22

Table with columns for bond type (e.g., US DOLLAR STRAIGHTS, OTHER STRAIGHTS), issuer, and price/yield information. Includes sub-sections for DOMESTIC BOND MARKETS, TOKYO closes slightly higher, and ZURICH mixed.

Advertisement for Public Service Electric and Gas Company (PSEG). Features the PSEG logo and text: 'U.S. \$75,000,000', 'First and Refunding Mortgage Bonds, 9 3/4% Series S Due 1996', 'Credit Suisse First Boston Limited', and a list of participating banks including Banque Bruxelles Lambert S.A., CIBC Limited, and others.

MANAGEMENT : Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

DOLLOND & AITCHISON, Britain's biggest opticians chain, is re-focusing its sights and polishing its image.

To the consumer the most obvious manifestations are its current state of re-branding and a £5m face-lift to the chain's 487 shopfronts. The new image proclaims a bold black and white lettered identity featuring its ubiquitous owl.

The objective is simple: to maintain, if not increase, market share in a business that, during the past 12 months, has been undergoing a major transformation. There has been a rapid growth of eye-wear providers in department stores and new enterprises such as For Eyes which see themselves primarily as providers of health adornment.

The catalyst for such a change was legislation introduced in late 1984 and early 1985. This fell into three major categories. First, restrictions on the sale of spectacles by major retailers were lifted on December 10 1984—specific restrictions remained, though, for products such as contact lenses.

The second move was to lift the previous ban on advertising while the third Government action was to withdraw National Health Service spectacle frames from April 1 1985 except in certain categories such as children, people receiving supplementary benefit and those requiring more complex lenses.

The prospect of de-regulation caused grave concern to Clive Stone, chairman of D & A, part of the Gallaher group of companies. "MPs believed there was a monopoly in the hands of the prescriber," he says. "But ever since 1898 the dispensing optician has been recognised as being able to dispense spectacles."

Government simply did not recognise the difference between ophthalmic and dispensing opticians, groups which have different qualifications. The ophthalmic optician is licensed to give eye tests as well as sell glasses while the dispensing optician is only allowed to do the latter.

Dispensing opticians, numbering some 3,028 compared with some 6,250 ophthalmic opticians, have been placed most at risk by de-regulation. "We had to ask ourselves whether or not we should try to cut overheads and go down the unqualified route," says Stone, whose business includes 320 outlets managed by dispensing opticians. "We decided such a move would be suicide for our image and could have an adverse effect on the 1.6m sight tests we do every year, around 14.5 per cent of the market. We had to main-

Dollond & Aitchison

Competition sparks a subtle refocusing

Lisa Wood reports on the response of the UK's biggest optician chain to the removal of restrictions in the eyewear market



Clive Stone: "... we have to compete in a very different retail market"

competing with many newcomers who have little or no training," says Stone.

While sight tests provide the industry with around 97% of its £455m income, according to Mintel, the market research organisation, the provision of frames and dispensing fees, at £205m, is a much more important business. Says Stone: "NHS fees do not cushion opticians. Fees allow them just to break even with profits coming from the dispensing of frames."

He says that when de-regulation took effect and unqualified retailers entered the market, "we had to ask ourselves whether or not we should try to cut overheads and go down the unqualified route," says Stone, whose business includes 320 outlets managed by dispensing opticians.

"We decided such a move would be suicide for our image and could have an adverse effect on the 1.6m sight tests we do every year, around 14.5 per cent of the market. We had to main-

tain the standard of our advice to the customer.

"A second consideration at the time was the NHS changes, with around 25 per cent of the £14.5m range as there has been no major increase in our volume because of the increased number of outlets." He estimates that while de-regulation and the influx of fashion glasses have pushed the total number of pairs sold by around 500,000—or 5.3 per cent—there has been a 12 per cent increase in the number of outlets in the last 14 months.

"Already there has been a number of casualties, and there will be more," says Stone. "There is not a big untapped market out there. People do not buy multiple pairs of spectacles however much they are influenced by fashion and advertising. By bringing prices down you simply reduce margins and do not increase volume sufficiently as you would do in a normal retail market."

At the same time D & A launched a new range of spectacles, called Freedom, which sell for £14.95, inclusive of frames, for the elderly, which it hoped would attract the former NHS spectacle wearer who was no longer entitled to a subsidy.

"In making our reductions we recognised there would be a considerably lower gross margin but we hoped for increased volume of business,"

says Stone. In 1985 D & A's pre-tax profits of £14.7m compared with £9.3m in 1980. "What happened," he adds, "is that we have lost on the £14.5m range as there has been no major increase in our volume because of the increased number of outlets."

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"In making our reductions we recognised there would be a considerably lower gross margin but we hoped for increased volume of business,"

Brave words at a time when competitors are claiming strong potential in the UK where an estimated 50 per cent of the population own just 1.4 pairs of spectacles per person. In some European countries the rate is 3.8 pairs per person, although overall the percentage of the population on the Continent wearing glasses is significantly lower than in the UK. Stone reckons that the free NHS items account for greater penetration of ownership in the UK.

Protection of D & A's market share, according to Stone, rests more on persuading the public that it is the chain which has achieved a balance between its professional responsibilities as a prescriber and skills as a retailer and dispenser. The advice people want about their spectacles requirements must be based on proper experience," maintains Stone.

With the exception of its haute couture chain of 12 outlets called Theodore Hamblin, D & A has targeted the middle-price spectacles market. "Previously we did not think like that," says Stone. "We simply wanted to be on the high street and have a complete range of glasses. We did not, it is true, have a clear corporate identity."

Today spectacles inspired by TV's Roland Rat character seek to inspire the younger customer in a street and have a complete range of glasses. We did not, it is true, have a clear corporate identity."

"We have always been retailers," says Stone. "In fact we were criticised in 1984 for being too commercial by putting spectacles on display and not leaving them in the drawer."

"But we are now drawing on additional retailing experience for we have to compete in a very different retail market." New senior managers include Melville Johnston, corporate director, who was formerly managing director of W.H. Smith's retail division, and Richard Yoffey, development and planning director, who was formerly managing director of Coleman UK.

"The key task is promoting the corporate image and not simply the product," says Stone. "We are offering good value for money by qualified and competent advisers. We want to be the Marks & Spencer of the optical business."

UK regional press

A sharper reader profile

Feona McEwan on the implications of a database launched today

"DOING BUSINESS without advertising," declared one Stewart Henderson Britt, "is like winking at a girl in the dark. You know what you're doing, but no one else does."

Sometimes, though, even businesses that do advertise find themselves prone to winking in the dark. In particular, advertisers in the regional press have never been quite clear who they are reaching—thanks to lack of information. The fault is not theirs. There just has not been much hard data around—on readership, demographic profiles and on the compar-

able sort that more switched-on rival media, like television, direct mail and national press, deliver, and around which advertisers plan their campaigns.

Television has long since marshalled its forces, delivering ratings, viewers and arm-in-arm statistics, and last year the sleepy poster industry joined the 1984 with its potent OSCAR site classification system. Direct mail leads the field since it is able to offer precise feedback and evermore segmented audiences.

Now though, the regional press, which accounts for nearly a quarter of all advertising in the UK, is being offered a chance to catch up. Today a database is launched which provides the first ever nationwide regional newspaper readership survey combined with a nationwide survey of shopping patterns.

You get a picture of where people live, where they shop and what they read and listen to. Its strength is its comparative data—previous readership surveys have been on an ad hoc unstandardised local basis and there is no nationwide shopping survey of its kind around.

For another way, the database defines the exact location of where informants live, where they shop for food (supermarkets and shopping centres are named) and which shopping centres they use for non-food goods. It also identifies their reading habits (ie local press—whether paid-for, free, morning, evening, or weekly—but not national press, and also local radio listening).

The implications of the database, called Lupin, are potentially far-reaching. By defining what kind of people shop at what kind of store and read what kind of paper or listen to which radio station, advertisers and retailers can plan their marketing more efficiently, effectively and with despatch.

Lupin takes its name from an anagram of its founders, Lopez, the international marketing group, and Puppoint, a major supplier of geo-demographic information. According to its founders:

1. It will rationalise the way advertising in local papers is bought and sold because at last every paper will have a clear idea of who its customers are.

2. Buyers of local media will be able for the first time to plan local press campaigns throughout Britain. Advertisers, like the J. Sainsbury supermarket group, for instance, can compare the impact of their advertising in different regions and identify by region and Lupin can identify by street.

3. For owners of local media, new opportunities can be identified; where to launch new papers, for instance, or in what localities to provide separate editions.

4. For retailers, Lupin becomes a primary weapon for planning, site location, finding out where the competition is thickest and strongest.

By discovering the accurate shape of the catchment area, retailers will be able to identify relevant gaps, for instance, and armed with these addresses, can accurately target maildrops. Banished forever is the traditional circular shopping radius drawn by retailers around their stores. One glance at a Lupin map and you see that catchments do not come in circles, but in a variety of amoebic shapes. Lupin is going to be the basis for a number of specific services—the first Local Media Sell-off is launched today. This provides the media owner with information on where house-holds in his circulation district shop for food and major purchases. People are identified accord-

ing to standard socio-economic classifications as well as demographic detail such as household size, car ownership and neighbourhood type.

Coming soon will be Lupin services aimed at the property developer, local authority planner and retailers. Lupin's pedigree is sound enough. One of the key members of the research side is Pym Cornish, who is responsible for the National Readership Survey research and is instrumental in providing the official Advertising Association statistics. Lupin is about four times bigger than the Target Group Index and the NRS and involves 100,000 interviews, which are updated annually.

The reason for Lupin's arrival now, say its founders, is that, previously, costs were prohibitive when the only option was to interview on a face-to-face basis. Now that so many households are on the telephone interviews can be conducted that way—economically.

It was also necessary to post-code every phone number (British Telecom has not yet done this) and thereby link phone numbers with demographic profiles. "The result," says Cornish, "is an accurate sample, fully spread out and correctly dispersed, not clustered."

The regional press needs all the help it can get if it is to remain attractive to advertisers. In the last decade, it has been losing market share and faces increasing threats to its ad revenue. Challenges come from sophisticated techniques of direct marketing, the national press, using new technology, led by Eddie Shah and his plans to print regionally. There is also of course the mortal battle within its own ranks with the continued rise of the free press.

Retailers, too, are in turmoil with the latest spate of take-overs changing the industry profile constantly. Lupin is available to anyone. Thus Sainsbury can find out about Tesco's catchment areas and vice versa, though no one can buy the entire database. Information comes in tabular or map form and costs range from £1,000 to £150,000 depending on what is wanted.

Contact Lupin at 59 Queens Gardens, London W2 3AF. Telephone: 01-723 9590.

TECHNOLOGY

Today US computer manufacturers meet to set up a body to co-ordinate standards. Louise Kehoe, in San Francisco, reports, while Geoffrey Charlsh details what the industry is already doing

Why rivals are clubbing together

A GROUP of leading US computer makers is poised to throw its collective weight behind the growing international movement to develop and apply a new set of common standards intended to allow much easier communication between equipment made by different manufacturers.

Eighteen companies, including American Telephone and Telegraph, Digital Equipment, Hewlett Packard and Wang

AT&T

Laboratories, are expected to agree at a meeting today to set up a joint body to co-ordinate their efforts.

The new organisation, to be called the Corporation for Open Systems, will select standards, test different manufacturers' equipment to ensure it complies with them and pass muster. It will have its own staff and an annual budget of between \$5m (£5.6m) and \$10m provided by its members.

Cos will support the open standards interconnection (OSI)

rules for computer communications being drawn up by the International Standards Organisation. Cos's backers are in close contact with leading European electronics companies such as ICL of Britain, Bull of France and Siemens of West Germany which are already supporting the application of OSI with the strong approval of their national governments.

The US industry decision represents a shift of attitude. In the past, many US suppliers have doubted the value of institutionalised standard-setting, preferring to let the market decide. Some industry experts still warn that Cos will face an uphill struggle to make its objectives stick.

However, many US companies now favour standardisation as vital to the industry's future growth. Lack of standards has become a major impediment for the growing number of customers who want to install distributed processing systems. Says Mr David Martin, president of National Advanced Systems, a leading US supplier of IBM plug-compatible computers and a founder member of OSI: "The key stimulus for the US industry is the accelerating

convergence of computers and communications systems. This means that equipment which previously operated in isolation or surrounded by products made by the same manufacturer is increasingly being linked by communications networks to many other types of computers and terminals all over the world.

At present, providing the right connections can be a

WANG

Herulian task. Mr Tom Boos, general manager of computer architecture at Control Data, a leading US computer supplier, says it absorbs valuable technical and financial resources in developing standards. Many in the industry believe their business has already suffered from customers' confusion about differing standards. Hewlett Packard says: "The failure of the computer industry, so far to come up with a common set of standards for computers, has been a major cause of the

current industry slowdown." Some large US users have already taken matters into their own hands. General Motors has persuaded a group of computer, robot and factory equipment suppliers to support a set of common standards for the factory, while Boeing has launched a parallel effort in office automation.

The formation of Cos is an attempt by the US computer industry to regain the initiative. It also reflects the widespread view that standards will not fully take hold unless they are solidly supported by all the leading computer suppliers.

Some of Cos's backers also see it as a way of challenging the commercial power of International Business Machines of the US, the world industry leader, which already has its own proprietary method of linking its computers, known as Systems Network Architecture (SNA).

Competitors claim IBM's ability to control SNA specifications gives it a marked commercial advantage. But they also accept that given IBM's estimated market share of 30% of the US market, standardisation efforts are unlikely to succeed

without the company's active support.

IBM is not among Cos's founder members but has accepted an invitation to attend today's meeting. It is still not clear whether it will decide to associate itself more formally with the initiative.

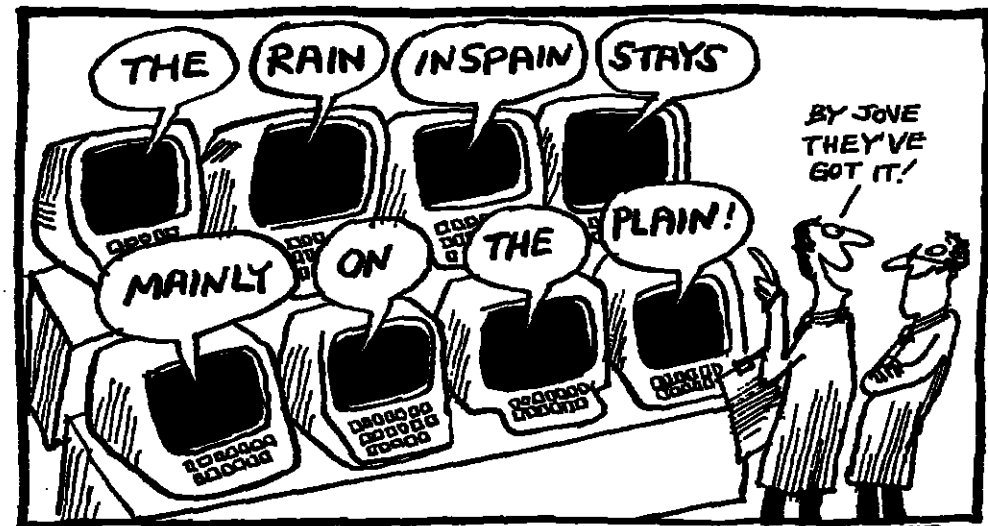
IBM points out that it is already closely involved with the development of OSI. It is participating in the OSI workshop project sponsored by the US National Bureau of Standards which is designed to speed the development of OSI. IBM also makes several products which support OSI.

Dr Schultze, systems development manager for communications at Siemens, says CNMA will set up demonstrator projects as fast as possible, in a variety of application areas. He thinks this will help remove some of the uneasiness about opting for OSI-based systems. In addition, he thinks the five organisations have arisen to meet different needs and agrees with Colin Haley that there need be no conflict.

Mr Steve Price, standardisation manager at the National Computing Centre, Manchester, also emphasises the need for co-ordination and for the US and European approaches to converge.

No one admits rivalry, but it is clear that national, European and US prestige is involved.

Looking down on all this from a rather entrenched position in networking is IBM. Mr Philip Agden of The Butler Cox Foundation, the management and research consultancy, emphasises an important benefit



The good news is FERRANTI Selling technology

Deal on customised chips

WOLFSON Microelectronics of Edinburg will design circuits using the principles of gate arrays—chips that include a set of basic circuits, the layout of which is finished later according to a customer's requirements.

Under the agreement with Fujitsu, customers will convert their requirements into a design specification for gate arrays made by Fujitsu. Engineers will finish the layout by a variety of methods—for instance by joining up components on the gate arrays by tiny strands of metal, the positions of which are defined by electron beams.

The plant will be 28 per cent owned by Chronar, which has factories in Port Jervis, New York, and Bridgend, South Wales, and the rest by the Chinese, including Harbin Electric Instruments Company and the Harbin Steam Turbine Corporation.

From silicon to solar cells

CHRONAR, a solar voltaics company in Princeton, New Jersey, is to play a key part in setting up a \$10m (£7.1m) factory in Harbin, China, to turn out solar cells based on amorphous silicon.

The plant will be 28 per cent owned by Chronar, which has factories in Port Jervis, New York, and Bridgend, South Wales, and the rest by the Chinese, including Harbin Electric Instruments Company and the Harbin Steam Turbine Corporation.

It will use Chronar's technique to produce amorphous silicon, which can be turned out continuously by directing silicon on glass or metal foil. Chronar is building other plants to make the material in Lens, France, and Alabama in the US. Development of amorphous silicon technology has been earmarked for attention under the Euriska programme, a joint research project between 18 West European countries.

Suddenly, it seems, everyone wants to speak everyone else's language

NEWS of the formation of the Corporation for Open Systems brings to four the total of organisations hoping to speed up the use of international standards and allow one make computer to interwork with another.

Soon there will be five, because an announcement is expected soon from many about CNMA, or Communications Networking for Manufacturing Applications, with 10 European members.

In 1984, General Motors originated MAP, or Manufacturing Automation Protocol, because the corporation found by plants were being overcome by non-communication computer networks. Recently, all the GM suppliers agreed to comply with MAP specifications.

Last year, Boeing followed with TOP (Technical and Office Protocols), aiming to do in factory offices what MAP does on the shop floor.

Attempts at equipment unif-

ication in the factory are meeting a real need and are coming at an early stage, before any proprietary standards get a grip. In the office, the problem is different due to the long, heavy-weight presence of IBM.

MAP and TOP are essentially user groupings. A few weeks ago, an announcement from GEC revealed that 30 European supplying companies including AEG, Bull, GEC, ICL, Siemens and three aerospace companies had formed the Standards Promotion and Awareness Group or SPAG.

CNMA contains users and vendors and its 10 members include British Aerospace, BAW, Bull, GEC, Nixdorf, Olivetti, Peugeot and Siemens.

Clearly, there is a need for participation by both users and manufacturers, but what do Map, Top, Spag, Cos and CNMA mean to Europe, and where lies IBM? All five industry groupings say they intend to develop the same open standards now evolving in the

world's phone networks. By complying with all the standards a phone in Germany can be

immediately connected to one in the UK—but to no avail if the parties cannot speak each other's language.

In data terms this might mean that although all the means of physical communications are compatible, information from one computer cannot be sent to another because it is arranged in a way the receiving machine cannot understand.

Geneva-based ISO, which brings together the national standards bodies of 89 countries, has been at work on OSI for about a decade. The ISO standards deal with seven levels of the problem, from the volts and amps on the copper wires right up to the arrangement of information in an application, like electronic mail for example.

The upper levels present the worst problems to standards bodies, who are still working on them. Furthermore, choices can be made from existing standards and inevitably, standards are open to interpretation.

So each of the five groupings

is paddling a canoe of its own by choosing and interpreting. MAP emphasises the interconnection of production equipment like machine tools, robots and controllers while TOP is more concerned with communicating the data in drawings for example.

COS may well have arisen because the US computer industry cannot stand by while car and aircraft companies decide how to apply standards.

COS embraces all computer communications. It arose, according to Mr Colin Haley, director of external technical relations at ICL, after SPAG had some representations from US companies but concluded that a transatlantic organisation would be too cumbersome. A good sign is that the two are committed to maintain contact.

ICL was an early supporter of OSI and has Onset, which uses the ISO standards but does not extend to the application level, with the exception of electronic mail.

So each of the five groupings



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Quote Ref: BA/143

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To work within the National Planning Division of the Ministry of Planning in Riyadh, you will be involved in advising on all matters pertaining to the National Economy and related to financial and monetary policies.

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Quote Ref: BA/170

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To work with the Investment and Loans Department of the Omani Ministry of Finance based in Muscat, you will be involved in analysing existing and proposed investments and ensuring maintenance of accounts.

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The tax-free salary is negotiable. Other benefits include free furnished accommodation, bank car, paid annual leave fares, 30 working days' annual leave, group insurance, end-of-service gratuity and provident fund.

Applicants should provide details of age, career experience, salary history and one recent photograph. Applications, which will be treated in the strictest confidence, should be sent within 10 days to:

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Candidates for this position will have had sound business development experience and will be required to advise high net worth clients on quasi liquid investments.

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UK COMPANY NEWS

BTR sells Cornhill for £305m to W. Germany's biggest insurance group
At last, Allianz makes a British catch

Allianz has done it at last! West Germany's biggest insurance group has been on the prowl for a British company for years. By buying Cornhill Insurance for £305m or about DM 1bn Allianz has achieved its initial objective.

Cornhill is much smaller than Eagle Star, for which Allianz made an abortive bid back in 1983. But it is a solid concern with above-average earnings, and it gives Allianz a place on the British market it has sought for so long.

For BTR, the broadly-based conglomerate headed by Sir Owen Green, chairman of BTR, the sale of Cornhill does not really fit into its long-term plans as a buyer which can be expected to treat its acquisition well.

And while BTR is not short of funds, the sale brings in a sizeable amount of cash to fund future acquisitions. It raises total proceeds from the sale of parts of Thomas Tilling, the industrial building company bought 2½ years ago, to just over two-thirds of what BTR paid for Tilling in a fierce takeover battle.

As long as 12 years ago Allianz was asked whether it might be interested in buying Cornhill. The reply, more or less, was "certainly but we are told it is not for sale."

At its Munich headquarters, Allianz stresses that part of yesterday's statement saying the present deal was made "in friendly accord" with the management of Cornhill. Allianz is still smarting a little from the fury of the takeover battle for Eagle Star, which was finally won by BAT Industries.

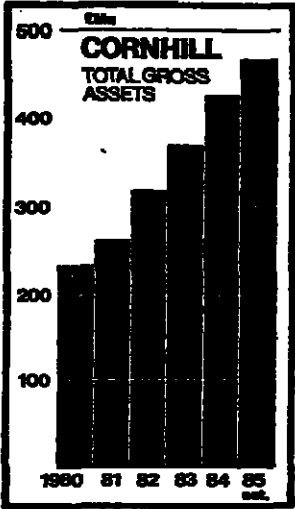
In the wake of that struggle, Allianz said it would "let the dust settle" before again seeking an opening in the British market. It also pledged that there would be no more stock market "dawn raids"—and it has kept its promise.

The Eagle Star affair provides a link to the present deal in two ways. For one thing, Allianz obtained around DM 1bn (of which DM 550m was cash) when it disposed of its Eagle Star holding. That is roughly the sum it is now paying for Cornhill (although it would hardly be correct to say it is "the same" sum).

Secondly, the Eagle Star battle has taught Mr Wolfgang Schieren, the Allianz chief executive that the company structure was too unwieldy to fight takeover actively. It is thought one key reason why Allianz was not yet divided into a holding, less has not given up the quest.



Sir Owen Green, chairman of BTR



Mr Wolfgang Schieren, chief executive of Allianz

subject to detailed scrutiny by German insurance supervisory authorities, and a company only which did not really fit into the capital market (unlike the insurance company itself) meaning that Allianz need not be barred from seizing a good opportunity by lack of funds.

Even if Allianz is able to pay for Cornhill without borrowing, it is still also on the lookout for a company in the US. It looked into the insurance interests of Armo but finally rejected them—and since then has found nothing more suitable. But it

14 per cent of the domestic life and at least 16 per cent of the non-life market, it would run foul of the cartel authorities if it expanded more at home.

Worldwide premium income was up by 8.2 per cent to DM 16.5bn in 1985, the most recent year for which full figures are available. Domestic non-life premium income is believed to have grown in 1985 by some 7 per cent to DM 8bn.

However, Cornhill appears to fall somewhat short of Allianz's stated aims for a major presence in the London insurance market.

Life premiums in 1985 amounted to £220m.

However, Cornhill's UK general insurance business is mainly in personal lines, being particularly large on motor insurance. It is a comparatively small operator in commercial non-life business—the sector that establishes a major presence in the London market. It operates mainly through the broker market.

Despite its lack of size, the company is a household name thanks to its sponsorship of Test match cricket since 1978. The company has just renewed

Cornhill has rather a chequered history since it was founded in 1905. But, despite its lack of size, sponsorship of Test cricket has made it a household name

Moreover, it is paying more than DM 1bn (in instalments) for RAS, Italy's second biggest insurance group. It also tried, unsuccessfully, last year to acquire A.A. Mutual, of Johannesburg, to extend its presence on the South African market.

All that is part of a strongly expansive strategy abroad, which really began when Mr Schieren became chief executive in 1971. An initial foothold in Britain was established in 1974, in the US in 1976, in Austria in 1977 and so on. Allianz is virtually forced to go abroad if it wants to grow because, with around Cornhill has a rather

chequered history. It was founded in 1905 by the insurance broker firm that is now part of Willis Faber. It was purchased by Thomas Tilling in 1944 and its ownership changed to BTR when the latter took over Thomas Tilling.

The company had a premium income of £230m on its general insurance business in 1985 of which around a quarter came from overseas operations mainly in the US. This placed it 11th in size of UK general insurance companies, but a long way behind the major companies. Its contract for sponsorship in 1986 and 1987 at a cost of £1.5m

to add to the £3m already paid out. Allianz has for the present left it to Cornhill's judgment on the continuation of the sponsorship.

Pre-tax profit in 1984 was £14.1m of which £1.4m came from the life operations. Last year's profit is likely to be between £15m and £20m. Its assets at the end of 1984 were £430m and likely to have passed £500m by the end of 1985.

Even allowing for an increase in Cornhill's profits to £18-20m in 1985, Sir Owen believes he can make the £305m he is making on the sale work much harder elsewhere within BTR.

Norfolk Capital doubles profits

Norfolk Capital Group, the hotel operator, almost doubled pre-tax profits from £504,000 to £1.01m for the year ended September 30 1985.

This, it says, was due to new management policies adopted since 1981 and was achieved on turnover up 15 per cent from £10.5m to £12.2m.

The company declared a further interim dividend of 0.2p, in lieu of a final dividend, making 0.3p for the year. However, it is altering its accounting reference date from end September to end December from December 1985. The intention is to achieve a more even balance of turnover and profits between the half years.

Earnings per 5p share amounted to 0.65p against 0.47p last year.

The company said an independent valuation of the group's hotels was expected to show that the group's net tangible asset value was at least 30p per share.

It said it had bought the Briggens Hotel in Hertfordshire for £2.9m and sold the Granby Hotel in Harrogate for £2.9m, and had re-opened the Royal Norfolk Hotel in South Kensington, London.

The board, headed by Lady Joseph, widow of Sir Maxwell, said the Norfolk Hotel had been renovated to four-star standard, aimed at the business market.

Anglo-Indonesian and PGI unveil agreed merger

BY MARTIN DICKSON

AN AGREED merger was unveiled yesterday by Anglo-Indonesian Corporation and Plantations & General Investments—both plantation and engineering companies and both already run by Mr Konrad Legg.

Mr Legg, who is chairman of P & G, said the merger would give the companies a broader capital base from which to develop as an overseas trading group.

The merger will take the form of an offer by P & G for Anglo-Indonesian, which values Anglo's ordinary share capital at £11.4m or 122.5p a share and its convertible preference share capital at £3m, or 26.0p a share.

Anglo shares, which were suspended last week at 185p, closed on Friday at 185p. P & G, suspended at 257p, closed last night at 271p.

Anglo-Indonesian is a tea and rubber planter and a manufacturer of agricultural machinery, shears, forgings and outboard motors. Its products include Chillington agricultural machinery, and the Third World, and after the merger the merged group will change its name to the Chillington Corporation.

P & G grows tea and coffee and makes non-ferrous metal wire, valves and metal spraying equipment.

P & G made pre-tax profits of £2.3m in 1984 on turnover of £11.5m, while in the same period Anglo had profits of £4.5m on turnover of £23m. However, both companies had losses last year by the drop in tea prices.

Plantations and engineering contribute about 50 per cent each of the company's earnings

and Mr Legg said putting the two together would reduce their dependence on any one overseas area.

Mr Legg at present holds some 49 per cent of P & G's equity. A feature of the merger will be a two for one scrip issue of deferred shares to P & G's existing shareholders to reduce the diluting effect of the deal on their shareholding. These will not qualify for a dividend till December 1986.

Mr Legg will have a beneficial interest in 17.5 per cent of P & G's ordinary share capital and 30.7 per cent of the voting share capital.

P & G and its directors at present hold about 30 per cent of Anglo's ordinary shares and irrevocable acceptances have been received for a further 13.2 per cent.

P & G, advised by Hill Samuel, is to offer 50 new shares and 12 new P & G 0.5 per cent £1 convertible preference shares for every 40 Anglo shares. For every 32 Anglo preference shares, it is offering 50 P & G ordinary shares and 12 convertible preference shares. Partial cash alternatives are also being offered.

Anglo-Indonesian, which is active in the Barclays Merchant Bank, noted that its interim profits in 1985 were £1.44m (£1.95m) and estimated that there was a much smaller profit in the second half, due to the fall in tea prices and difficult trading conditions in some overseas markets.

P & G said it expected to re-announce a final dividend of 3p for 1985, making 5.2p for the year. It forecast that in the current year the enlarged group's dividends would be not less than 7p.

Breakmate shares jump

THE SHARE price of Breakmate, the USM-quoted supplier of drink dispensing machines, rose yesterday from 131p to close at 165p on rumours that the company had reached an agreed takeover deal with a major company.

Yesterday afternoon the Breakmate board announced that talks were in progress which could lead to a bid being made. The company came to the market in October 1984. In the year to December 31 1984 it made pre-tax profits of \$481,000 on a turnover of \$3.16m. Further growth was recorded in the first six months of 1985 taking turnover to \$3.54m and profits to \$276,000.

British Syphon blocks Marshall's

British Syphon has blocked the attempt by Marshall's Universal to take control of Skelmersdale Packaging.

Marshall's had wanted to acquire immediately a 49 per cent holding in Skelmersdale Packaging for £250,000 and later take full control.

But British Syphon—which holds 25 per cent of Marshall's shares—voted against the proposal at yesterday's EGM. Some 228 shareholders representing 3.08m shares voted for the resolution, but four shareholders representing 5.6m, including British Syphon, voted against.

Poor response for Wickes offer

Wickes, the do-it-yourself supplies and building materials retailer being floated on the Unlisted Securities Market, has received a disappointing response to its offer for sale.

Some 1,212 applications were received for a total of 2.16m shares, representing 44 per cent of the 4.95m shares on offer. The remainder have been placed with the underwriters.

Some 600 of the stockbrokers who sponsored the issue, blamed market conditions for the poor response.

Dealings are expected to begin on Monday.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interim: Apex Properties, D. F. Bover, Continental Estates, Estate Property Investment, Finch Lovell, Inry Property, McKay Securities, Inry Investment, Owen and Robinson, Parkdale Property Security Investment Trust, Watham's

Finals: Bank Leumi (UK), John

Beales, Demans, Electrical, Derby Trust, Edinburgh American Assent Trust, Thomas French, Hill and Smith, Investors Capital Trust, KLP, Microgen.

FUTURE DATES

Interim: Meritt Estates Jan 28
Murray Smaller Markets Trust Jan 27
Osare Consolidated Jan 30

Finals: Anglo United Development Jan 31
Angry's Trust Jan 30
British Kidney Patient Assoc. Jan 30
Don Investment Trust Jan 30
Commercial Bank of Wales Feb 19
Crouch (Derby) Feb 28
Meggitt Feb 7



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DIVIDENDS ANNOUNCED

Company	Rate	Payable
Anglia TV	6	May 15
Comet	0.75	April 18
Crescent Japan	0.25	April 30
Lookers	3.3	April 30
New Tokyo Inv	0.8	April 11
Northair Capital	0.55	April 11
Treac	4.55	April 2

Dividends shown pence per share net except where otherwise stated. † Equivalent after allowing for scrip issues. ‡ On capital increased by rights and/or acquisition issues. † USM stock. † To reduce disparity.

Lookers plc
Car, truck and agricultural machinery dealers

Preliminary results for the year ended 30th September, 1985 (unaudited)

	1985 £000	1984 £000
Turnover	161,167	151,060
Profit before taxation	2,289	1,872

● DIVIDEND FOR THE YEAR INCREASED TO 4.5p PER SHARE (1984 - 4.5p PER SHARE) - subject to approval by shareholders.

Lookers plc
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Granada in £6.8m agreed bid for leisure company

Granada, the television and leisure group in merger talks with Ladbroke, the bookmaking and property company, yesterday announced an agreed £6.8m bid for Lancashire-based Park Hall Leisure, quoted on the over-the-counter market.

Park Hall operates a hotel and leisure complex on a 125-acre site near Chorley, and is negotiating several leisure projects to broaden its profit base. Based on its share price on December 12 last year, Park Hall's market capitalisation is £11.5m.

Granada is offering one share for every three Park Hall, or a full cash alternative of 75p per share. On the basis of last night's closing price, with Granada at

230p, up 3p on the day, the paper offer values Park Hall at almost 77p per share.

Park Hall's management team intends to remain with the company and is to be given responsibility for heading Granada's activities in operating leisure projects. Park Hall has recently acquired a site called Dock Acres near Chorley, north Lancashire, to be developed as a lakeside resort.

If the Granada offer becomes unconditional, certain investors who took advantage of the relief under the Business Expansion Scheme when Park Hall shares were placed last May, will no longer benefit from that relief, Granada said.

Imperial refuses to meet Hanson

Mr Geoffrey Kent, chairman of Imperial group, yesterday rejected a renewed request from Lord Hanson, chairman of Hanson Trust, for a meeting to discuss Hanson's £1.5bn bid for Imperial.

Imperial also said it was mailing copies of its defence document—which is highly critical of Hanson's performance—to 110,000 Hanson shareholders. Imperial said the unusual move was because it wanted the shareholders to see why it believed stock was overvalued.

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Over-the-Counter Market

High	Low	Company	Price	Change	Gross Yield	P/E	Fully Paid
148	118	Ass. Brit. Ind. Ord.	118	—	7.2	6.7	—
151	125	Ass. Brit. Ind. Ord.	125	+2	10.0	8.1	11.7
75	43	Aisring Group	20s	—	4.3	11.5	11.7
48	38	Armitage and Rhodes	38	—	4.0	11.5	4.4
168	118	Bardon Hill	118	—	4.4	24.3	21.7
64	42	Bray Technologies	42	+1	15.2	—	—
271	136	CCL Ordinary	136	—	12.0	8.8	3.3
168	118	Carroll Services	118	—	15.1	16.2	—
120	80	Carborundum Ord.	116	—	4.9	6.2	6.7
84	43	Carborundum 7.5p Pt.	91	—	10.7	11.8	—
85	44	Debonair Services	85	—	10.0	12.1	6.0
32	20	Frederick Parker Group	21	—	7.0	11.1	—
82	20	Ind. Precision Casting	81	—	—	—	2.7
218	108	Isle Group	168	—	3.0	4.1	12.3
168	118	Jackson Group	168	—	15.0	8.9	12.3
301	228	James Burrough	120	—	5.5	4.6	8.1
95	71	John Howard and Co.	71	—	12.9	13.6	3.5
228	141	Lingaphone Ord.	180s	—	8.0	7.0	5.8
882	570	Lingaphone 10.5p Pt.	80s	—	15.0	16.7	—
82	22	Minhouse Holding NV	82s	—	6.9	0.8	37.3
82	22	Robert Jenkins	70	—	—	—	—
87	67	Taylor and Currie	67	—	12.9	7.0	12.0
370	320	Trevian Holdings	325	—	4.3	1.3	18.5
133	83	Walker Alexander	132	—	2.1	5.3	10.9
228	195	W. S. Yeates	200	—	17.4	8.7	6.7

—Suspended.

Public Works Loan Board rates

Effective January 22

Years	by EPT	As maturity	Non-quota loans A* repaid at
Over 1 up to 2	121	121	121
Over 2 up to 3	121	121	121
Over 3 up to 4	121	121	121
Over 4 up to 5	121	121	121
Over 5 up to 6	121	121	121
Over 6 up to 7	121	121	121
Over 7 up to 8	121	121	121
Over 8 up to 9	121	121	121
Over 9 up to 10	121	121	121
Over 10	111	111	121
Over 15 up to 25	111	111	111
Over 25	111	111	111

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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NORTH

Advice to Shareholders of NORTH BROKEN HILL HOLDINGS LIMITED

in relation to the Proposed Partial Offer by Industrial Equity Limited

On 16th January, 1986 IEL announced an unsolicited Offer for North. IEL has proposed to split up the operating businesses of North and to conduct a sale of its assets.

North Directors Advise that:

- The Proposed Offer is totally inadequate.
- The Proposed Offer is partial only, leaving the value of your remaining North shares at risk.
- IEL is seeking to divert to itself future gains that should properly flow to all North Shareholders.
- IEL's proposal to break up North is misguided and poorly conceived. It does not add value to North Shareholders - it destroys value.

This document:

- states why North Shareholders should not accept IEL's Proposed Offer, and
- explains why North's PRESENT STRATEGY for the Company, which is in the process of implementation offers far more than IEL's proposal to break up North.

To reject the IEL Offer, simply do not act upon any document sent to you by IEL.

Shareholders are Advised Not to Sell their Shares and to Reject the IEL Offer.

North's Strategy

North has been vigorously pursuing a Strategy for:

- expansion of North's operating interests
- improving competitiveness and market positions of North's operations, and
- selective sale of minority investment interests.

This Strategy has been articulated to Shareholders in Annual Reports and at Annual General Meetings.

Considerable Progress has been Achieved to Date Towards these Objectives.

Expansion of North's Operating Interests

As a result of the acquisitions of APPM and EZ, North has been transformed into a large operating Company with diverse resource based interests. This is consistent with many of the world's most successful major resource companies. They have diversified to obtain similar advantages for their Shareholders.

Mining & Smelting

North's base metal operations are of world standing. The 1984 merger with EZ was a key part of North's Strategy and has resulted in North becoming a fully integrated base metal miner, smelter and marketer. Lead, silver and zinc mines are at Broken Hill, Elura and the West Coast of Tasmania. Zinc concentrate is processed at North's wholly owned zinc smelter at Risdon and lead/silver concentrates are processed at the Port Pirie smelter, 30% owned by North. These two smelters are amongst the largest and most efficient in the world.

Forestry & Paper

The Forestry & Paper operations comprise integrated forest products, paper manufacturing and marketing. Over 2.5 million tonnes of wood is harvested each year. North is one of the largest traders of pulpwood in the world and producing 250,000 tonnes of fine writing paper, is the principal supplier to the Australian market.

Improved Competitiveness and Market Positions of North's Operations

The mergers with APPM and EZ have enabled North to implement policies with dramatic improvements in operations and employee relations.

Mining & Smelting

Productivity in terms of output per employee has improved significantly under North's management.

	Productivity (1984-85)	
Risdon Smelter	up	9%
West Coast Mines	up	17%
Elura	up	29%

Productivity at the North Mine has improved 19% since 1982.

The productivity improvements have enabled North better to withstand recent depressed metal prices and to improve its market competitiveness.

North is the dominant supplier of zinc to the Australian and South East Asian markets.

North's profit levels are sensitive to movements in metal price and exchange rate, as demonstrated in the table below.

Sensitivities of North Group Annual Pretax Profit to Metal Price and Exchange Rate Changes

(Based on A\$100 equals US\$90.70)

	Price Change	Price Change
Zinc	A\$26.0 million for each US\$100 per tonne	
Lead	A\$16.3 million for each US\$100 per tonne	
Silver	A\$10.6 million for each US\$1 per ounce	
	\$5.5 million for each 1% movement in the Exchange Rate	

Other factors being constant, an increase in lead, silver and zinc prices of 10%, prevailing for the whole of a year would increase North's pre-tax profit by approximately \$32.2 million and a 10% weakening of the Australian dollar would increase North's pre-tax profit by a further \$38.5 million.

The gains in productivity leave North poised to take maximum advantage of improvement in metal markets.

Forestry & Paper

Since the merger with APPM a \$80 million investment program has been undertaken to improve quality, raise productivity and reduce operating costs. The benefits of

this program are now being reflected in the financial performance of Forestry & Paper operations. Further gains will be achieved with the completion of the investment program in 1986.

Highlights of performance during the past three years (1982-85) have been:

Paper Production	up	16%
Pulp Production	up	22%
Productivity (Output per Employee)	up	35%
Export Pulpwood	up	23%
Lumber Production (1983-85)	up	28%

These improvements have been achieved in a climate of strong competition for all products.

North is the principal manufacturer and marketer of fine writing and printing papers in Australia, with an overall market share of approximately 50%.

Sale of Investment Interests

Whilst rebuilding its operating base, North has been pursuing a program of selective disposal of minority investment interests. Those investments sold have been independent from North operations and were sold at prices which maximise returns to Shareholders.

Since 1979/80, proceeds from these sales have exceeded \$250 million with capital profits of over \$70 million.

The funds raised from asset disposals have been invested in North's operations and have allowed the achievement of the expansions and improvements referred to above.

This program is ongoing. Discussions with a number of interested parties relating to the sale of other minority interests are continuing. North has been pursuing the sale of its interests in:

- Alcoa of Australia Limited
- Energy Resources of Australia Ltd
- Beach Petroleum N.L.
- Hardboards Australia Limited.

As with prior disposals, sales will only occur when the price offered reflects the future earnings potential and asset values of these investments. This contrasts with the IEL proposal which envisages sale of all assets within a 12 to 18 month period.

It is apparent that IEL has recognised North's progress in implementing its Strategy. IEL's Partial Offer is an attempt to capitalise on the natural lag between the restructuring already undertaken and its positive financial effects by diverting to itself future gains that should properly flow to all North Shareholders.

Why North should not be broken up

The proposal by IEL to break up North by separating the two main operations, Forestry & Paper and Mining & Smelting, does not add value to North Shareholders - it destroys value.

- By their nature, the Mining & Smelting operations are subject to highly cyclical earnings. Forestry & Paper operations provide a stable income stream which reduces overall earnings volatility. Their collective contribution maximises tax effectiveness and borrowing capacity at minimum costs.
- The existing Group structure ensures earlier utilisation of present and future mining tax deductions against profits of the Forestry & Paper Division with consequent cash flow advantage.
- The short history of the North Group since merging with APPM and EZ has shown mutual benefits. North brought to APPM the financial strength to invest in improving competitiveness. Forestry & Paper's strength is now enabling North to make substantial capital investments to improve efficiencies in its Mining & Smelting operations, despite the trough in base metal prices.
- North is now a major resource Company with the financial strength to capitalise on future growth opportunities for the benefit of Shareholders. These future gains will not accrue to Shareholders if the Company is broken up.
- North's exports of Mining & Smelting products provide a natural hedge against foreign currency exposure on Forestry & Paper imports.
- The merger of North, EZ and APPM has enabled considerable rationalisation of Corporate overheads to be achieved over the past 18 months. Separate head offices for each company no longer exist. North operates with a small and efficient Head Office, the costs of which are more than offset by savings resulting from Group purchasing and insurance, and lower borrowing costs, if the Group was

broken up, central costs would be duplicated with an adverse effect on total profitability. Costs would not be "eliminated" as IEL would have you believe.

• Greater opportunities for employees exist in the larger organisation as shown by former EZ and APPM personnel now occupying senior management positions in North. Transfers between operating groups are beneficial to operations and individuals.

• The costs of relocating the operations of North would be substantial and would be borne by North Shareholders. There is no evidence to support IEL's assertion that North's component parts are worth more than the whole. The IEL Offer and proposal is nothing more than a paper shuffle providing substantial gain to IEL at the expense of existing North Shareholders.

Why IEL's Offer should be rejected

IEL is seeking to take control of North with a partial Offer for as little as 25% of each Shareholder's shares. Once it has gained a controlling interest, IEL plans to break up North by selling North's assets over the next 12 to 18 months.

North Shareholders are advised **Not to Accept the IEL Offer**. The Offer is unsolicited and totally inadequate. Acceptance of the Offer would put at risk rather than increase future returns to Shareholders. IEL would benefit by your acceptance at your expense.

This advice is based on the following:

- IEL's partial Offer is an attempt to capitalise on the natural lag between the restructuring already undertaken and its positive financial effects by diverting to itself future gains that should properly flow to all North Shareholders.
- North's own Strategy for expansion and optimisation of its Mining & Smelting and Forestry & Paper operations and sale of its minority interests is well advanced. North's Strategy is designed to maximise Shareholder value.
- IEL's proposal is based on IEL purchasing some of your shares cheaply and in respect of those shares, reaping the substantial profits that properly belong to North's Shareholders.
- IEL's proposed Offer is partial only. 75% of North Shareholders' investment would depend on IEL's ill-conceived proposal to break up the Company if its partial Offer succeeds.
- A partial Offer does not provide the same value to Shareholders as a full Offer which, at IEL's Offer price, would still be regarded by North Directors as totally inadequate.
- What evidence exists that the IEL proposal would work? North Directors believe it to be poorly conceived and ill-advised. The proposal shows a total lack of understanding of North's businesses and of the issues associated with any dismantling of the Group. IEL has advanced no details of how it would achieve its stated aims.
- IEL's timetable of 12 to 18 months for dismantling the Company would preclude it from realising maximum value for the assets. The significant debt service costs which IEL would incur, would be likely to force the sale of North's assets at prices and times which significantly undervalue their worth.
- North's earnings are sensitive to metal prices and exchange rate movements. The metals industry is cyclical, but currently depressed. A return to higher prices will lift North's earnings with consequent benefit to its Shareholders.
- The diversified nature of North's principal operations is a strength, not a weakness. North operates with a small and efficient Head Office. The costs of which are more than offset by Group savings resulting from Group purchasing and insurance, lower borrowing costs and central foreign currency expertise.
- Adverse tax implications for both North and its Shareholders are raised by the IEL proposal. In the case of North as a company, premature payout of income tax will result from loss of Group taxation advantages.
- North Shareholders will be disadvantaged by:
 - taxation of the profit on sale of contributing shares and any fully paid shares purchased within 12 months prior to acceptance of the Offer,
 - the possibility that the distributions to Shareholders of the proceeds of asset sales will be taxable, and
 - the effect of the new capital gains tax, which will not apply to your shares in North where they were acquired on or before 19 September, 1985 but will apply to any shares and other investments (with minor exceptions) which you may acquire with the proceeds of disposal of your North shares or by distributions made by North.

North Directors consider the taxation implications of IEL's proposed Offer are sufficiently serious to warrant Shareholders consulting their own taxation or financial advisers.

Do Not Sell Your North Shares. Reject the IEL Proposal.

DO NOT ACT UPON ANY DOCUMENT SENT TO YOU BY IEL.

L. M. Jarmen Chairman

22 January, 1986

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re compa

UK COMPANY NEWS

John Griffiths analyses General Motor's takeover of Group Lotus
Out of the pits and into the fast lane

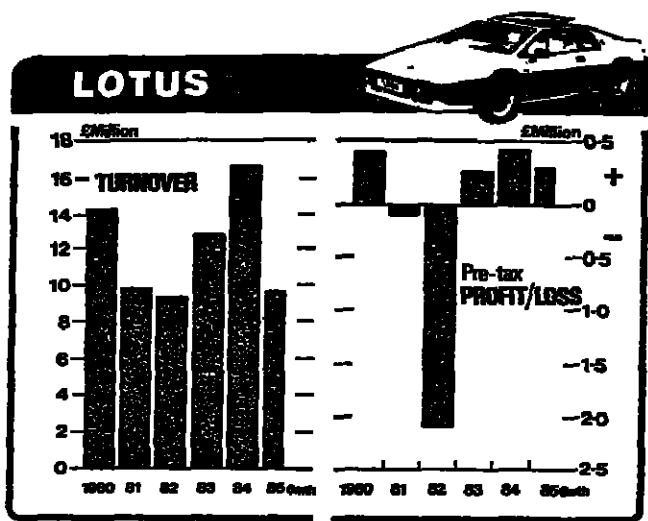
YESTERDAY'S FALL of 58 per cent of Group Lotus into the companies shopping bag General Motors has been totting around Europe and the US—currently it is negotiating also with B.L. Vehicles—raises a number of questions about the future of the Norfolk-based Lotus sports car and engineering group as it answers about last week's share suspension.

GM's vice-president of advanced engineering, Mr Robert Eaton, made clear yesterday that GM wants to acquire 100 per cent control of the group. Equally, he stressed that Lotus would remain independent, retaining its existing management—though a chairman to replace Mr David Wickins has yet to be named.

The major factor in Lotus's relatively recent return to profitability has been its engineering consultancy business, undertaken mainly for other vehicle producers. This has flourished, even though a 21.6 per cent stake in the company is held by Toyota and Lotus has been highly successful in preserving its reputation for commercial confidentiality.

Mr Eaton said yesterday he "hoped" Lotus would be able to retain such business, while Lotus's chief executive, Mr Michael Kimberley, also declared that it is difficult to provide what it does the right way.

Whether the clients who



claiming that Lotus "is all about people, it also remained unclear how the nearly 200 talented engineers and designers who form the company's future operations would react to the prospect of working under GM ownership.

Lotus's 630-strong workforce was told of the deal yesterday morning, and given assurances that GM intended to increase its spending on business activity throughout the group.

But little explanation was given of how the changes might affect a major project on which much of the company's future was staked—the "cheap" X100 sports car Lotus which, said Mr Kimberley, was due to be launched in mid to late 1987.

He said that preparation work for production was continuing at Hethel. It is dependent on Toyota components, and no explanation was forthcoming yesterday of the essential elements towards the intended GM takeover. Two members from Toyota attended yesterday's board meeting, but there was no indication that it would yield up its

stake in the company. Inevitably, since Mr Eaton said the best opportunities for Lotus lay in the US, there was speculation that the X100 could lend itself to production in the US on a collaborative basis involving Lotus, GM and Toyota.

GM and Toyota already have a collaborative venture through NUMMI, making small cars at Fremont, California. However, this appeared to be firmly ruled out by Mr Eaton yesterday.

What the GM deal does do, however, is end the long financial tightrope which Lotus has walked since it went public in 1983. Lotus's fortunes hit their nadir on December 17, 1982. Questions had been piling up about its relationship with the abortive De Lorean project and \$17.65m in missing payments.

American Express had cancelled \$2.6m in loan facilities. Long-delayed accounts had just disclosed a pre-tax loss of £0.6m. That day, Colin Chapman, Lotus's chairman, was found dead at his home near the Hethel, Norfolk, plant. His shares plummeted to a record low 14p

— the issue price in 1983 was 150p.

Within two weeks, merchant banker Guinness Mahon was organising a refinancing attempt. Given that Lotus was now revealing a £800,000 loss for the subsequent first half, prospects looked bleak.

Toyota, with which Lotus had signed a collaborative agreement in 1984, was tipped as a rescuer, but it was Mr David Wickins and his British Car Auctions Group that led it — with Toyota leading, with a £5.9m injection via a rights issue and £2m credit guarantee. It led eventually to BCA emerging with a nearly 30 per cent stake in Lotus, and the company was acquired from Schroder (Wage) by end-1983. Lotus was picking up car sales, around 30 the previous year, had risen by more than half. And Lotus's consultancy engineering business, founded ironically on the De Lorean project, was amassing a growing number of contracts. Development work proceeded on the M90-subsequently renamed X100.

The full year's results appeared appalling — a £4m loss. The new brooms, however, had undertaken a major "house-clearing" with over £1m worth of development expenditure alone written off. By that time, Mr Wickins had taken over as chairman from Mr Fred Bushell, Chapman's long-time associate and confidant.

Yet Lotus was far from out of the woods; instead it found itself fighting a £5m tax assessment. The world total in the first half of the latest financial year was £24, while statistics appeared for the company's manufacturers and Traders show UK sales in the 1985 calendar year to have been £94, up slightly from £87 in 1984. With the X100 poised to take Lotus for the first time for many years into a cheaper and more profitable market, it may well sell for around £11,000-£13,000, the company has appeared on the verge of its first really significant expansion since 1981. Mr Eaton said he believed that within a few years Lotus may be employing triple its current work force of about 650, about 1,000 of the jobs being in the engineering consultancy sector.

Whether such predictions still stand will become clear only in the next few months.

But it can be seen now as the turning point:

A 1983 pre-tax profit of £275,000 was allied to car production raised to nearly 650. By mid-1984, while revealing plans to build the Eta, a 170 mph "super car"—due in 1985, Mr Wickins was forecasting a "larger" profit for 1984, despite writing off a total of £2m in development funds since the rescue. He was right—Lotus made £676,000.

More recently, he has been insisting that the company "has never looked healthier" — remarks backed by a further rise in last year's first half profits to £326,000. There appears no reason to doubt that the full year's accounts, due in a few weeks' time, will show more progress. That is despite still not as much progress being made on car sales as hoped, particularly in the US, where the falling dollar has made sales more difficult. The world total in the first half of the latest financial

year was £24, while statistics appeared for the company's manufacturers and Traders show UK sales in the 1985 calendar year to have been £94, up slightly from £87 in 1984.

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Dr Marwan lifts stake in Extel to 10.9%

Dr Ashraf Marwan, the Egyptian financier, has increased his stake in Extel, the specialist newsgency and advertising group, from 9.12 per cent to 10.57 per cent. Extel shares rose sharply yesterday on the news, to close at 253p, up 15p on the day, amid renewed speculation that a bid for the company might be in the offing.

Mr Alan Brooker, Extel's chairman, said he had no indication of Dr Marwan's intentions, and had not spoken to him. Dr Marwan's son-in-law, the President Nasser, first disclosed an interest in Extel in June, when he emerged with a 5.95 per cent holding.

Over the past 18 months, Dr Marwan has bought and sold important stakes in Fleet Holdings and House of Fraser, which both became bid targets.

Dutch lift CAP stake to 8.7%

CAP Group, a leading independent British software house which came to the stock market last July, said yesterday that a shareholding of 8.7 per cent had been built up in the company by Volmac, a privately-owned Dutch software business. CAP's shares rose on the news, to close at 198p, up 8p on the day.

Last November CAP announced that Volmac and directors of the Dutch company had acquired a shareholding of 1.45m shares. It said yesterday that it had just received notification that by January 1 this had risen to 1.5m shares (8.7 per cent). Further small purchases have apparently been made since then.

CAP's managing director, Mr Mike Smith, met Mr J. J. Van Bosterman, who is Volmac's director, last November and says he was led to believe the holding was a long term investment and that Volmac did not intend to make an offer for CAP.

Mr Alan Benjamins, a CAP director, said yesterday that although no further discussions had taken place, "we do not believe they have any intention of making a bid."

About 27 per cent of CAP's shares are held by its senior executives, with a further 32 per cent in the hands of two long-time supporters—the NCE pension fund and Charterhouse Development. The company believes a further 8 per cent to 9 per cent are in the hands of "friendly" institutions.

Turnover for the year to September 30 1985, rose from £17.4m to £20.14m and generated a higher operating profit of £2.3m from £1.7m in 1984. Interest charges, however, were almost doubled at £212,000 (£105,000).

Earnings per 10p share rose by nearly 70p to 41p after tax of £1.15m (£972,000)—minorities were £225,000 (£49,000). Tace has adjusted the previous year's figures following a change to average monthly exchange rates.

There were additional gains below the line with the sale of a 10 per cent stake in Goring Kerr producing a £188,000 extraordinary credit (debit £476,000).

Yearlings at 133%
Yearling bonds totalling £3.5m at 133 per cent, redeemable on January 28 1987, have been issued by the following local authorities: Kirkcaldy, Metropolitan Borough Council £2.0m; Allerdale District Council £2.5m; West Yorkshire Metropolitan County Council £1.0m.

Anglia TV second half profit upturn

DESPITE an increase from £1.63m to £2.36m in second half profits, Anglia Television Group finished the October 31 1985 year behind at £3.1m, compared with £4.3m previously.

Advertising revenue improved strongly in the autumn, and the second half also benefited from the sale of group interests in Sodastream, the directors state.

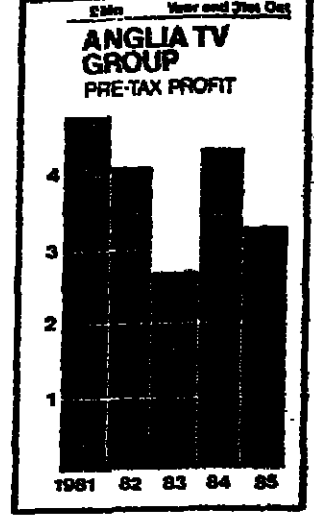
They add that the recovery in advertising revenue has continued and prospects are encouraging.

Group turnover improved from £39.85m to £62.7m but profits were down from £17.21m to £10.48m. Channel 4 subscription amounted to £9.9m (£5.75m) after a tax charge of £1.39m (£2.36m) earnings per share are given as 14.24p compared with 14.45p last year, while the total distribution is increased to 9p (8p) with a final payment of 9p (5p).

Attributable profits for the year came through ahead from £2.55m to £4.13m after minority interests, £34,000 (£30,000), and extraordinary credits of £2.15m (£281,000) which comprised a £2.19m net profit on the disposal of associates, less a £12,000 share of extraordinary losses in associates.

The directors are considering enfranchising the 'A' ordinary non-voting shares on a basis which will have to be approved by the Independent Broadcasting Authority. An announcement will be made in due course.

The market was well prepared for a £1m decline in profits at Anglia—but seemed pleased at the higher dividend and the shares rose 5p to 150p. Anglia seems to have put the horrors



of the first half well behind it, when the advertising market at its worst, transmission costs typically high, and Sodastream contributing record losses. The second half was undoubtedly better, with advertising revenues picking up towards the end of the period, and Anglia continuing to increase its market share. Both of its main investments, First Leisure and Home Non-Television have done well, while the sale of Sodastream has stopped up a damaging drain on resources. Assuming that the trend in revenues persists, Anglia should make at least £4.5m this year. The shares, having recovered smartly since last summer, are on an appropriately unexciting p/e of 9 (39 per cent tax).

Cadbury Schweppes in £43m Australian deal

BY LISA WOOD

Cadbury Schweppes, the UK-based confectionery and soft drinks group, yesterday announced it was planning to increase its stake in Cadbury Schweppes Australia from 61 per cent to 70 per cent in a share deal worth £4.5m which involves the sale of Cadbury's New Zealand operation to the Australian company.

Cadbury said yesterday: "Integration of the companies will allow the optimum use of current resources and facilitate the planning of future investments."

Approval to the deal has yet to be given at an extraordinary general meeting of Cadbury Schweppes Australia.

The New Zealand operation, called Cadbury Schweppes Food, makes confectionery, biscuits and beverages and in 1984 its sales were NZ\$98.9m (£40.5m) with NZ\$9m (£3.6m) profit after tax. In addition to the sale of Cadbury's New Zealand operation, the Australian company is also selling the Australian Sodastream business which was acquired in June 1985 when Cadbury's bought the UK based Sodastream.

The price for the two companies is A\$89.7m, (£43.5m sterling) which will be satisfied by the issue to Cadbury Schweppes of 28,057,000 shares in Cadbury Schweppes Australia at A\$3.2.

Brookmount's USM offer will give £7.6m value

Brookmount, a property investment and development company based in Northern Ireland, is joining the USM valued at £7.6m.

Brown, Shipley is placing 1.5m Brookmount shares at 160p, representing 31 per cent of the equity. All of these shares are being sold by the company to raise £2m after expenses which will be used to finance expansion.

The group's investment properties consist mainly of three shopping centres in Northern Ireland. The group is planning to develop

Ireland, which have been developed since 1977. Current developments have been concentrated in the South of England, where Brookmount has been involved in projects both on its own and through Trafalgar Brookmount, a joint venture company owned by Brookmount and Trafalgar. Last month Trafalgar Brookmount paid £38m for Brooklands, the old car racing track, which is being redeveloped on January 30. Brokers to the issue are Laing & Cruckshank.

Trading losses still over £2m for trimmed Loifs

BY DAVID GOODHART

London & Overseas Freighters, the loss-making UK tanker company, yesterday announced a trading loss of £2.38m for the six months to September 30 1985, similar to the losses reported over the two preceding six-month periods.

But the company, which announced the rescheduling of part of its £31.5m debt burden in December, said yesterday that the result included a significant improvement in the trading of the two 61,000-tonne tankers London Spirit and London Victory.

That was however offset by a deterioration in the trading of the three heavier tankers. Mr Kinross, the company's deputy managing director, stressed yesterday that two of the larger ships were sold in July and the other one in November.

The company statement said that results in subsequent periods will now only reflect the trading of the two smaller ships "which has continued to improve."

With cash reserves reduced to very low levels, the company must now continue to generate sufficient earnings from the part of its fleet which is essential to meet due interest charges and administrative expenses.

"Your board is continuing to make every effort to secure the survival of the company for the shareholders' benefit, and it is supported by a staff of loyal and diligent employees both ashore and at sea, whose dedication and hard work is an essential element in the preservation of this company as a going concern."

The share price fell by 1p to 11p.

Britannia Security to expand in storage sector

BY RICHARD TOMKINS

Britannia Security, the USM-quoted supplier of commercial and domestic security systems, yesterday announced the purchase of the unquoted Tele-Link Archives for up to £5.5m.

Tele-Link operates a confidential storage and retrieval service for business records, documents, and computer discs and tapes belonging to customers such as banks, insurance companies and other businesses. Britannia sees the acquisition as a means of expanding into the storage sector of the security industry.

The initial consideration to be met by the allotment to Tele-Link of new ordinary Britannia shares to the value of £3.2m of these, some £1.5m worth will be kept by Tele-Link for three years after completion and the other £1.7m worth has been placed by brokers Panmure Gordon.

The initial consideration assumes that Tele-Link's profits for the year to last December will be £290,560, against £13,264, over the year to end-December 1985. The single final dividend is 0.5p (0.93p). Net asset value per 50p share at the year-end was 238.1p (239.1p).

NEW TOKYO Investment Trust earned higher net income of £2.5m from £1.7m in 1984. Interest charges, however, were almost doubled at £212,000 (£105,000).

Earnings per 10p share rose by nearly 70p to 41p after tax of £1.15m (£972,000)—minorities were £225,000 (£49,000). Tace has adjusted the previous year's figures following a change to average monthly exchange rates.

There were additional gains below the line with the sale of a 10 per cent stake in Goring Kerr producing a £188,000 extraordinary credit (debit £476,000).

Tace rises 37% to over £3m

Tace, which manufactures electrical and mechanical control equipment, yesterday announced a near 37 per cent increase in full year profits and a better than forecast final dividend.

At £3.1m pre-tax, the result is a record and compares with £2.2m in 1984. The final dividend is being lifted from 3p to 4.55p, which beats last August's rights issue forecast of 4.2p and lifts the total to 10.5p (4.5p).

Turnover for the year to September 30 1985, rose from £17.4m to £20.14m and generated a higher operating profit of £2.3m from £1.7m in 1984. Interest charges, however, were almost doubled at £212,000 (£105,000).

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The Stockholders Investment Trust p.l.c.

"On any long-term basis the US economy offers investment opportunities of exceptional promise."

Alan McLintock, Chairman

Highlights of the year ended 31st October 1985
* Earnings per share increased by 30% to 3.21p
* Annual dividend increased by 19% to 2.80p
* Consolidated total resources of £133.9 million at record level
* Net asset value per share increased by 2.3% to 151.3p

Change of name
At an Extraordinary General Meeting to be held on 23rd January 1986 the Board will recommend to shareholders that the name of the Trust be changed to GOVETT ATLANTIC INVESTMENT TRUST PLC

The Board believes that there are positive advantages to be derived from a name which reflects the investment policy of the Trust and identifies it with its Management Group.

Investment Policy
The Company invests primarily for capital growth, principally in North America.

To: John Govett & Co. Limited, Winchester House, 77 London Wall, London EC2N 1DH. Please send me a copy of The Stockholders Investment Trust Annual Report.

Name:
Address:

John Govett & Co. Limited
Management Group

NOTICE OF FOURTH PARTIAL REDEMPTION

THE KINGDOM OF DENMARK
Issue of US\$ 100,000,000 13% Notes due 1992 with 100,000 Warrants to subscribe 12% Notes due 1992

Pursuant to paragraph "Redemption and Purchase" of the Terms and Conditions of the Notes, notice is hereby given that as a result of exercise of Warrants, Notes for an additional aggregate principal amount of US\$ 10,000,000 will be redeemable on February 24, 1986 at 101 per cent of their principal amount together with accrued interest (i.e. US\$ 43.33 per denomination of US\$ 5,000) from January 31, 1986 to the date of redemption.

The Notes bearing the following serial numbers have been drawn by lot in the presence of a Notary Public and may be presented to Kroddebank S.A. Luxembourg, 43, Boulevard Royal, Luxembourg or to the other Paying Agents named on the Notes:

Table of serial numbers for the Kingdom of Denmark notes, including columns for serial numbers and denominations.

Notes surrendered for redemption must have coupon due January 31, 1987 and subsequent attached. Interest will cease to accrue on the above drawn Notes as from February 24, 1986.

Amount remaining outstanding: US\$ 42,000,000
Luxembourg, January 23, 1986

THE FISCAL AGENT
KREDEBANK
S.A. Luxembourg

The Law Society opts for change

By A. H. HERMANN, Legal Correspondent

AT LAST the Law Society has acknowledged that in a world where what people are is determined by what they do, lawyers will not be able to rely on their sole right to do certain things simply because of what they are.

Barristers lag several years behind solicitors. While the Law Society has come forward with constructive proposals for change, the barristers have merely formed a working party to prepare their defence against change.

On the one hand, there is an ever-increasing demand for new legal services in expanding areas of business and industry, employment and social security and wherever individuals deal with the bureaucracy and the state, and on the other hand there is a diminishing need for individual attention to the transferring of house ownership; the progress of land registration has made it suitable for a computerised service.

broker while also trading in securities on its own account—a conduct which has been found acceptable by the present Government.

In theory, the equality of the two branches was conceded by the Bar in 1975. In practice, both the public and the profession are guided by a subconscious memory of the times when scriveners and court clerks, from whom the solicitors derive their origin, were ink-stained and undernourished boys much inferior to the gentlemen whom the judge would recognize among the mob pressing at the Bar because they wore wigs and learned to speak in Latin schools.

Such lingering memories are all the more absurd as solicitors are fast becoming the better-educated branch of the profession. The Law Society led the way by requiring a law degree for articled clerks and its examinations are tough. Twice as many law graduates with first-class degrees become solicitors as those who join the Bar.

On the one hand, there is an ever-increasing demand for new legal services in expanding areas of business and industry, employment and social security and wherever individuals deal with the bureaucracy and the state, and on the other hand there is a diminishing need for individual attention to the transferring of house ownership; the progress of land registration has made it suitable for a computerised service.

pare unfavourably with the much more thorough training of lawyers on the Continent, where five years at university are often followed by a year of clerking at a district court and seven years of supervised work in a law office before the candidate is admitted to the advocate's examination. The training of the continental lawyers not only takes more than twice as long as that of English lawyers, but also places greater emphasis on the principles of substantive law and of the judicial process. Lawyers trained in this way find it easier to adapt and to grasp foreign law than those who have learned only precedent and formalities by rote.

The Law Society has now proposed uniform training for all lawyers. Instead of having to decide whether to become a solicitor or barrister before gaining any practical experience of law, pupils would qualify as general practitioners and specialise later on. This would help but there is also an urgent need to review the way lawyers are taught at university and how they are trained in practice. One serious objection to the present system is that the training of articled clerks and barristers' pupils is very much left to their masters, instead of being supervised and supervised by attendance at theoretical courses.

The Law Society expects that uniform training, opening the courts to solicitors without restrictions and allowing barristers to approach their clients directly, would together lead to a single profession, diversified not by historical constraints but in response to the needs of clients and made more efficient by competition.

In addition to the outside pressure for change, there are also internal pressures, generated by growth. The merger of solicitors and barristers between 1971 and 1984 and within the chrysalis of the traditional partnership a metamorphosis has taken place.

—now there are 50 partners assisted by a staff of 350, with offices in New York, Paris, Singapore and Hong Kong. Similarly Linklaters and Paines, Lanchester and May, now among the largest firms in the City, had only 12 partners each in 1946. Such firms have specialists in all fields of business law and large litigation departments. They increasingly manage the affairs of their clients without the help of barristers.

The situation of the small firm of solicitors is entirely different. Only experience will show whether in the new circumstances the small firms will continue to rely on specialised lawyers operating as barristers or whether they will seek links with the big firms of solicitors which have in-house specialists. The economics of the profession works against the separate existence of barristers. Though the rule requiring a senior barrister (a QC or silk) always to be accompanied by a junior was removed in 1977, it is very difficult to persuade a silk to go to court without a junior by his train. As under the new rules, the QC must also be attended by a solicitor, the client has to pay not for two but three lawyers. Moreover, the barristers have no contractual relationship with the client, and are not liable in damages for negligence or malpractice in connection with their performance in court.

That is yet another reason why the consumers of legal services will more and more want to be advised and represented by one lawyer or one law firm only. They will receive quicker and cheaper, but also better, service because it will no longer be possible to pass on responsibility to the barrister who cannot be held liable for resulting loss and damage.

"Lawyers and the Courts: Time for Some Changes." A discussion paper issued by the Law Society's Concessions Business Committee.

APPOINTMENTS

New chief actuary

Mr Marshall H. Field, has been elected president of the INSTITUTE OF ACTUARIES in succession to Professor Sir James McNeill. His term of office will expire on June 30, Mr Field, whose career has been mainly with Phoenix Assurance, is currently consultant to the Director of Investments Board Organising Committee and a director of TSB Trust Co.

MEVVIS, has decided to retire on March 31. He will remain on the board until the annual meeting in May, after which he is to retire by rotation. Mr McLure's successor as chairman of Beecham Cosmetics and Beecham Improvements will be Mr Edward Bond, who has been group finance director and a member of the group board since 1972.

Lead Derwent has joined the board of ZIEGLER GUIDEHOUSE GROUP as a non-executive director. After 15 years as an executive director with international responsibilities on the main board of W. Rothchild & Sons he has recently left that board to concentrate on private interests. Following internal re-organisation within the group, Mr Jonathan Davis will become managing director of Guidehouse Limited the issuing house subsidiary. Mr Michael Jackson has become managing director of Guidehouse Securities the over-the-counter market and securities subsidiary and Mr Harold Rack has become managing director of Greystar Trusts, leasing, instalment credit and lending business. Mr Kingsley Manning has left the board.

Mr Eric Bolam has been appointed managing director of NEILL TOOLS the main operating subsidiary of James Neill Holdings. He was previously manufacturing director of nHill Tools.

Two senior management appointments are being made by REM FOODS on February 1. Mr Andrew Summers has been appointed commercial director of the RHM Foods McDougalls group. He will be succeeded as managing director of Sharwood's by Mr Nick Ringer. Mr Ringer, following two years as marketing controller of the REM Foods Bisto group, will be succeeded as managing director of Schweppe's. Mr Chadwick marketing director has been appointed to the board of CADBURY SCHWEPPE'S.

Mr Roger Graham, group managing director of the business intelligence services (BIS) Group, has been appointed president of the EUROPEAN COMPUTING SERVICES ASSOCIATION. He is the first British president of ECSA in its 11 year history, although the ECSA Secretariat has always been based in London. Graham has previously been president of the UK Computing Services Association (CSA) and the chairman of the UK Computing Services Industry Training Council (COSIT).

Three directors are joining the board of BROOKE BOND OX on February 1. Mr John Fuller (former head of international accounts), Mr Peter Twiss (sales controller—field sales force), and Mr Kevin Caswell (marketing controller). Mr Fuller becomes sales director. Mr Twiss is appointed director—catering services division. Mr Chadwick marketing director.

Mr Michael Hughes has been appointed head of gilt sales and direct finance head of gilt risk management at DE ZOETE & BEVAN, stockbrokers. It is intended that both will become directors of Barclays de Zoete Wedd some division with the same responsibilities. Mr Hughes will, in addition, continue to be responsible for economic research.

Mr Frank Davies, chief executive of the Rockware Group, has been appointed president of the GLASS MANUFACTURERS FEDERATION for a two-year term. He succeeds Mr John Small, group managing director of United Glass. Mr Davies has been at Rockware since September 1983.

Mr John Carney has been appointed group financial director of PETROCON GROUP. He was formerly with Aaraulite in a similar capacity.

Mr Donald McLure, chairman of BECHAM COSMETICS AND BECHAM HOME IMPROVE-

BET has appointed a new managing director at once. His reconstruction companies, Boulton & Paul, as the first stage in replacing the current chairman and managing director, Mr Ray Chenhall, in April. Mr Chenhall will hand over his responsibilities as managing director to BET executive Mr Alan Bowkett on February 1 but has agreed to remain as chairman until the end of 1988. Another FT executive, Mr John Allan, will become deputy chairman on April 1.

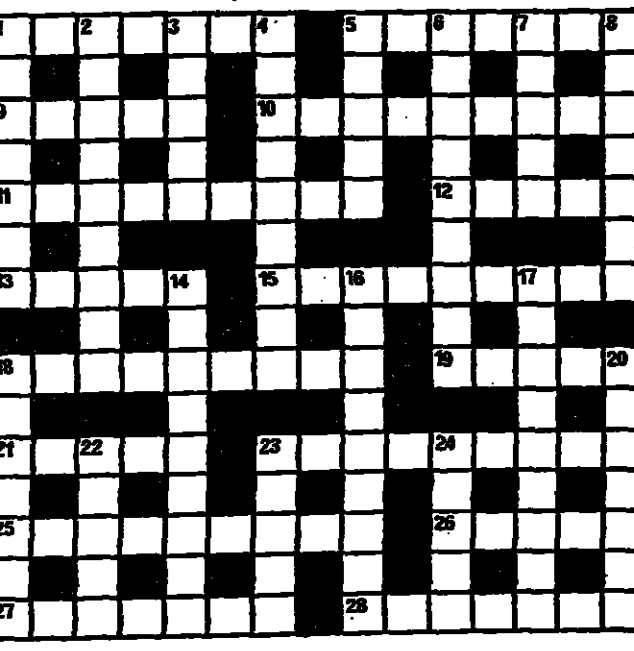
FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their details, including names like Brown Shipley & Co Ltd, City of London, and various investment funds.

Advertisement for International Market Reports, featuring a telephone icon and contact information for London, Tokyo, and Sydney.

F.T. CROSSWORD PUZZLE No. 5,929



- ACROSS
1 Like a mountain lake spout? (7)
5 It builds up litter and rubbish... (7)
9 ... rubbish, we hear—Tommy's old enemy (5)
10 In which potter's skill is displayed at table (9)
11 One who administers a pension abroad (9)
12 Ragout psalmists swallowed (5)
13 Work a long time in Parsifal, for example (5)
15 Being near Linda, perhaps, makes the heart beat faster (8)
18 Quarter wren tans when changed (5-4)
19 Circular conch with gold at the heart (9)
21 Feet endlessly serious (5)
22 Best adapted to dry road, me! (9)
23 Skills needed to reduce debts by fifty one (9)
24 E.g. 2001 in digest form? (3-5)
27 Main line from outskirts of Derby very unpleasant (7)
28 Candidate has no place for pitmen with little energy (7)
DOWN
1 E.g. plug for drawers? (7)
2 No heat to a current rendering of his? (9)
3 Boudicca's chariot-race? (3)
4 Winter! Breathe in deeply (9)

Solution to Puzzle No. 5,928



AUTHORISED UNIT TRUSTS & INSURANCES

Table listing various unit trusts and insurance products, including names like 'Openwater Fund Mgmt Ltd', 'Scottish Widows' and 'Scottish Equitable'.

Table listing various unit trusts and insurance products, including names like 'Allied Bank Assurance Plc', 'Crestlife Insurance Plc' and 'Crestlife Insurance Plc'.

Table listing various unit trusts and insurance products, including names like 'Legal & General (UK) - Contd', 'Kingsway House' and 'Kingsway House'.

Table listing various unit trusts and insurance products, including names like 'Property Growth', 'Property Growth' and 'Property Growth'.

INSURANCES

Table listing insurance products and companies, including 'AA Friendly Society', 'Abney Life Assurance Co Ltd' and 'Abney Life Assurance Co Ltd'.

Table listing insurance products and companies, including 'Allied Bank Assurance Plc', 'Crestlife Insurance Plc' and 'Crestlife Insurance Plc'.

Table listing insurance products and companies, including 'Legal & General (UK) - Contd', 'Kingsway House' and 'Kingsway House'.

Table listing insurance products and companies, including 'Property Growth', 'Property Growth' and 'Property Growth'.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Scottish Widows Assurance Society, Scottish Mutual Investments, and various international funds.

Main table of insurance, overseas, and money funds including BNP Paribas, Equity & Law International, and various international and regional funds.

Table of money market bank accounts and options including Money Market Bank Accounts and Options 3-month call rates.

Notes and additional information at the bottom of the page, including a note about the selection of investment funds.

COMMODITIES AND AGRICULTURE

Signs of progress in tin crisis talks

BY STEFAN WAGSTYL

THE FIRST real signs of progress for several weeks in efforts to resolve the world tin market crisis emerged yesterday at the International Tin Council.

The EEC has promised to make a statement on its position to the ITC this afternoon. But it seems that the diplomatic pressure that the UK Government has applied to other ITC members might at last have paid off.

The latest creditors' proposal envisages setting up a new company to take over the ITC's assets and liabilities, funded with new bank loans and with 25% of the risk capital — \$200m from governments, \$50m from brokers and \$20m from banks.

seems unlikely to put up the money itself, despite renewed appeals for help from the London Metal Exchange.

FT correspondents examine the impact of high coffee prices

A windfall for Latin America

BY ROBERT GRAHAM

THE SPECTACULAR rise in coffee prices since October is expected to have a significant impact on the balance of payments of Latin American countries who are also among the main commodity producers of the world.

as it is on coffee for over 40 per cent of its \$3.9bn export earnings. Colombia has the quality arabica beans which have enjoyed the steepest market rise and it also possesses a major stockpile of beans which officials say are in good warehouse condition.

over 27 per cent of export earnings. The financial squeeze has been so tight that growers have not been able to obtain credit for fertilisers, and this, combined with dry weather and forward sales, has led to earnings projections of only \$500m against \$430m last year.

over 27 per cent of export earnings. The financial squeeze has been so tight that growers have not been able to obtain credit for fertilisers, and this, combined with dry weather and forward sales, has led to earnings projections of only \$500m against \$430m last year.

Few countries are likely to benefit fully from these extra earnings, however, because of other domestic constraints. The most remarkable instance is Brazil, normally responsible for 30 per cent of world coffee exports.

With prices now at \$5.12 a lb in the domestic market, just one 500 gramme pack of finely ground coffee costs 11 per cent of the minimum monthly wage — at a price level that has shocked Brazilians into near abstinence.

less vulnerable to sabotage from the guerrillas of the leftist Farabundo Marti Liberation Front (FMLN). Despite the fact that the country is in serious financial difficulties as a result of the six-year-old civil war, temptations to sell part of the 1986 harvest in advance were resisted, and until President Jose Napoleon Duarte announced a tough austerity package this week, it was thought that extra coffee revenues would permit a rise in public sector wages and so head off labour unrest.

Guatemala's windfall is only marginally from the price rises even though coffee accounts for

Indonesia will seek bigger market share

By Kieran Cooke in Jakarta

FOR YEARS Indonesia, one of the world's top five coffee producers, has been looked upon as the bad boy of the International Coffee Organisation, mainly because of large discount sales it was making outside the terms of existing ICO agreements.

Kenya poised to cash in

BY MARY ANNE FITZGERALD IN NAIROBI

KENYANS ARE feeling highly confident about their coffee prospects for the next year at least, and are already moving to anticipate the suspension of International Coffee Organisation export quotas.

controls landlocked Rwanda's strategic landroute to the sea. Rwanda could justify shipping its coffee out by air if Uganda's prospects, as fighting continues sporadically, are less sanguine.

Landlocked Burundi, whose production is similar to Rwanda's is facing problems of a different sort. Coffee is critical to its foreign reserve levels, accounting for over 90 per cent of its export earnings. But it has to do battle with Tanzania's poor transport infrastructure before it can get its crop onto the world market.

West African hopes more modest

BY PETER BLACKBURN IN BORDJ

COFFEE IS Africa's second most important export earner after oil. But the West African countries, which mainly grow robusta varieties rather than the arabicas which are expected to be in short supply as a result of the Brazilian drought, do not expect to benefit fully from the recent price explosion.

While coffee prices are expected to rise further, and some African arabica exporters stand to make major short-term profits, there is general concern about the longer-term prospects.

Some African exporters are worried that export quotas, once lifted, may be difficult to restore, with consumers — led by the US — opposed in principle, and producers unable to agree over market shares.

African exporters have been demanding a larger quota, which would better reflect their 30 per cent share of world output.

LONDON MARKETS

TALK that a production increase was planned at Alumax's Mount Holly, South Carolina, smelter depressed aluminium prices on the London Metal Exchange yesterday.

INDICES

Table with 2 columns: Index Name, Value. Includes Financial Times, Dow Jones, and others.

US MARKETS

PRECIOUS METALS traded mixed on lack of fresh news and weaker than expected US GNP limited activity which led to light gold liquidation, reports Helms Commodities.

Table with 3 columns: Commodity, Price, Change. Includes Wheat, Soybeans, and other agricultural products.

MAIN PRICE CHANGES

Table with 2 columns: Commodity, Price. Lists changes for various metals and grains.

ALUMINIUM

Table with 2 columns: Grade, Price. Lists prices for different aluminium grades.

COPPER

Table with 2 columns: Grade, Price. Lists prices for different copper grades.

MEAT

Table with 2 columns: Commodity, Price. Lists prices for various types of meat.

LEAD

Table with 2 columns: Grade, Price. Lists prices for different lead grades.

NICKEL

Table with 2 columns: Grade, Price. Lists prices for different nickel grades.

ZINC

Table with 2 columns: Grade, Price. Lists prices for different zinc grades.

GOLD

Table with 2 columns: Grade, Price. Lists prices for different gold grades.

SILVER

Table with 2 columns: Grade, Price. Lists prices for different silver grades.

COFFEE

Table with 2 columns: Grade, Price. Lists prices for different coffee grades.

WHEAT

Table with 2 columns: Grade, Price. Lists prices for different wheat grades.

SOYBEAN MEAL

Table with 2 columns: Grade, Price. Lists prices for different soybean meal grades.

CRUDE OIL

Table with 2 columns: Grade, Price. Lists prices for different crude oil grades.

SOYBEAN OIL

Table with 2 columns: Grade, Price. Lists prices for different soybean oil grades.

WHEAT

Table with 2 columns: Grade, Price. Lists prices for different wheat grades.

SOYBEAN MEAL

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BRITISH FUNDS

Table of British Funds with columns for Name, Price, Dividend, and Yield. Includes sections for 'Shorts' (Lives up to Five Years), 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS—Cont.

Table of American Stocks with columns for Name, Price, Dividend, and Yield. Includes sections for 'CANADIANS' and 'BANKS, HP & LEASING'.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS—Cont. DRAPERY & STORES—Cont.

Table of London Share Service listing various sectors: BUILDING, TIMBER, ROADS, DRAPERY & STORES, ELECTRICALS, CHEMICALS, PLASTICS, DRAPERY AND STORES.

ENGINEERING—Continued

Table of Engineering Stocks with columns for Name, Price, Dividend, and Yield.

INDUSTRIALS—Continued

Table of Industrial Stocks with columns for Name, Price, Dividend, and Yield.

INT. BANK AND OSEAS GOVT STERLING ISSUES

Table of International Bank and Overseas Government Sterling Issues.

CORPORATION LOANS

Table of Corporation Loans.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails.

AMERICANS

Table of American Stocks (repeated).

BANKS, HP & LEASING

Table of Banks, Hire Purchase, and Leasing.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads (repeated).

CHEMICALS, PLASTICS

Table of Chemicals and Plastics.

DRAPERY AND STORES

Table of Drapery and Stores (repeated).

ENGINEERING

Table of Engineering (repeated).

INDUSTRIALS (Misc.)

Table of Industrial Stocks (Miscellaneous).

HOTELS AND CATERERS

Table of Hotels and Caterers.

INDUSTRIALS (Misc.)

Table of Industrial Stocks (Miscellaneous).

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and Etc.

HOTELS AND CATERERS

Table of Hotels and Caterers (repeated).

INDUSTRIALS (Misc.)

Table of Industrial Stocks (Miscellaneous).

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Table of Industrial Stocks (Miscellaneous).

INDUSTRIALS (Misc.)

Table of Industrial Stocks (Miscellaneous).

Financial Times Thursday January 23 1986

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high, low, and volume.

INSURANCE

Table of insurance stocks including companies like British American Insurance and Royal Indemnity.

LEISURE

Table of leisure stocks including companies like British Skyways and British Airways.

PROPERTY - Continued

Table of property stocks including companies like British Land and National Westminster.

SHIPPING

Table of shipping stocks including companies like British Shipbuilders and Harland & Wolff.

SOUTH AFRICAN

Table of South African stocks including companies like Anglo American and De Beers.

TEXTILES

Table of textile stocks including companies like British Textiles and J. H. Rayner & Co.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco and J. H. Rayner & Co.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Trustee Assurance and National Westminster.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including companies like British Investment Trust and National Westminster.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Shoe Manufacturers and J. H. Rayner & Co.

SOUTH AFRICAN

Table of South African stocks including companies like Anglo American and De Beers.

TEXTILES

Table of textile stocks including companies like British Textiles and J. H. Rayner & Co.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco and J. H. Rayner & Co.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Trustee Assurance and National Westminster.

FINANCE, LAND - Cont.

Table of finance and land stocks including companies like British Investment Trust and National Westminster.

OIL AND GAS

Table of oil and gas stocks including companies like British Petroleum and Shell.

OVERSEAS TRADERS

Table of overseas traders including companies like British Overseas Airways and British Shipbuilders.

PLANTATIONS

Table of plantation stocks including companies like British Overseas Airways and British Shipbuilders.

MINES - Continued

Table of mines stocks including companies like Anglo American, De Beers, and British American Tobacco.

NOTES: Under the provisions of the Companies Act 1985, the following information is provided...

REGIONAL & IRISH STOCKS: The following is a selection of regional and Irish stocks, the latter being quoted in British pounds.

Recent Issues and Rights Page 40 (International Edition Page 32)

This service is available to every company in the UK and is available to every company in the UK and is available to every company in the UK.

LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

*First Declared Last Account Dealings Dates Dealings Day Jan 13 Jan 23 Jan 24 Feb 3 Jan 27 Feb 6 Feb 7 Feb 10 Feb 20 Feb 21 Mar 3

Optimism that the authorities determined stance on interest rates would eventually allay financial market fears of another rise in bank borrowing charges gave London sentiment a boost yesterday. Although money market rates improved further to stand over a point above current base rate levels, and sterling continued its dismal form against other leading currencies, leading shares put up a surprisingly good performance.

The low level of crude oil prices continued to adversely affect the pound but the renewed weakness simultaneously drew attention to the companies likely to benefit from the situation. Institutional investors began inquiring for international support for current favourite issues, the tone brightened after an uncertain start.

Stock shortages accelerated the uptick and prices went further ahead in the early-afternoon following news of the revised US fourth-quarter GNP figure. This was 2.4 per cent compared with the recent "flash" estimate of 3.2 per cent and the announcement immediately resurrected hopes of lower US interest rates. After Tuesday's shake-out on concerns over the US banking scene owing to falling oil prices, the market on Wall Street opened on a firmer basis yesterday.

Steel ship issues here bulked momentarily at the prospect of a weaker dollar but resumed their advance to close at the day's best levels. The FT Ordinary Share Index ended with a net gain of 14.9 to 1123.6, while the broader-based FT-SE 100 Share Index settled 12.8 up at 1350.3. Particularly favoured shares included Glaxo, which rose 1/2 to a new peak of 216 1/2; the shares will be quoted ex the one-for-one scrip issue on Monday.

Currency considerations caused Gilt-edged securities to open cautiously but the small amount of ground lost was soon recovered. Throughout the morning and early-afternoon trade, a light demand nudged prices higher but interest rate anxieties returned later to inhibit business. The uptick was that both short and longer-dated maturities either reverted to overnight levels or, in some cases, a little below.

Hogg Robinson good Lloyd Brokers were outstanding among Insurances, closing sharply higher on consideration of their dollar earnings potential. Stewart Wigham's takeover favourite Hogg Robinson was subjected to fresh bid speculation and finished 9 higher at 286p with the new shares 12 up at 46p. Stewart Wigham was aided by news of the proposed 100 per cent scrip-issue

Interest rate fears recede and FT index rebounds 14.9 to 1123.6

and jumped 20 to 742p. FWS International added 25 at 255p, while improvements of 10 and 12 respectively were seen in Kinco, 380p, and Seagw, 382p. Life issues rallied from recent depression. Sun Life retrieved 7 at 795p, as did Prudential, at 785p. Sun Alliance, 12 better at 857p, recorded an above-average improvement among Composites. GRE, however, fell 15 after hours to 746p on fading hopes of a bid from Allianz following news of the latter's purchase of Cornhill Insurance from BTR.

Regional Breweries highlighted Mansfield which advanced 10 to 418p following the company's presentation to analysts on Tuesday. Leading Buildings staged a modest rally despite interest rate uncertainties. Barratt Developments edged up a couple of pence to 118p and George Wimpey hardened a penny to 139p. BICC improved 4 to 468p. British Circle 2 to 380p.

Against the trend, Tarmac shed 8 to 350p on persisting rumours that the company may bid for the 100 per cent of the latter, a rising market recently settled 2 cheaper at 150p. Elsewhere, SGB revived strongly and rose 8 to 226p, while USM-quoted Federated Housing picked up 4 to 55p.

The view that the current weakness of sterling against the US dollar and the German Mark would give a boost to ICT's overseas earnings potential lifted the price 20 to 772p. Other Chemicals also moved forward on currency incentives with Allied Colloids 8 up at 178p and Foseco 7 higher at 322p. Hickson International rose 8 to 355p and Laporite hardened a couple of pence to 350p. Elsewhere, Amersham International touched 330p prior to closing a net 8 up at 329p, reflecting persistent demand in a market short of stock.

Etam feature Leading Retailers shrugged aside recent nervousness over dearest money trends and displayed modest gains for choice, albeit in extremely subdued trading. Storehouse, 305p, and Habitat Motereaux, 415p, in particular, still regarded as a likely takeover target. Etam added a few pence at 302p. Cable and Wireless returned to favour at 500p, up 22, with the new shares closing 15 higher at 390p. Elsewhere, CAP rose to 196p after 203p, on talk of a bid from Volmac, while buying on recovery hopes lifted Acorn Computers 6 to 54p and Apricot Computers 5 more to 250p on further consideration of the chairman's optimistic statement regarding trading prospects.

Noteworthy movements among secondary Stores were also rarer, although Etam featured with a rise of 8 to 206p reflecting bullish notices emanating from brokers' visits recently. The Engineering Group rose 7 further to 125p in response to recent bullish Press mention. Among secondary issues, McKinnon, in which William Holdings has a stake, rose 1/2 to 57p, while BTR, a takeover favourite, advanced 1 1/2 to 79p. USM-quoted Antomagic rose 9 to 71p in a narrow market; the interim figures are expected early next month.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index, Jan 22, Jan 21, Jan 20, Jan 19, Jan 18, Jan 17, Jan 16, Jan 15, Jan 14, Jan 13, Jan 12, Jan 11, Jan 10, Jan 9, Jan 8, Jan 7, Jan 6, Jan 5, Jan 4, Jan 3, Jan 2, Jan 1, 1985. Rows include Government Secs, Fixed Interest, Ordinary, Gold Mines, Ord. Div. Yield, Earnings, P/E Ratio, Total Returns, and Shares Traded.

HIGHS AND LOWS

Table with columns: Index, High, Low, SE. ACTIVITY, Jan 21, Jan 20. Rows include Govt. Secs, Fixed Int., Ordinary, and Gold Mines.

With the exception of GEC, and closed 13 to the good at 213p. Revised Evered bid hopes lifted TI 13 to 380p, while Wadkin rose 7 further to 163p on the takeover approach. Profit-taking clipped 3 from Cronite at 64p, but Thomson Robinson hardened 4 more to 182p.

Food Retailers staged a moderate rally. ASDA-MRTA improved 6 to 136, while J. Sainsbury picked up 4 to 348p and Tesco hardened 3 to 279p. Elsewhere, Cadbury rose 3 to 310p, while Wm Morrison's advanced 3 to 210p on takeover hopes, while Rowntree Macintosh revived strongly and closed 10 higher at 400p. Elsewhere, CAP rose to 196p after 203p, on talk of a bid from Volmac, while buying on recovery hopes lifted Acorn Computers 6 to 54p and Apricot Computers 5 more to 250p on further consideration of the chairman's optimistic statement regarding trading prospects.

Noteworthy movements among secondary Stores were also rarer, although Etam featured with a rise of 8 to 206p reflecting bullish notices emanating from brokers' visits recently. The Engineering Group rose 7 further to 125p in response to recent bullish Press mention. Among secondary issues, McKinnon, in which William Holdings has a stake, rose 1/2 to 57p, while BTR, a takeover favourite, advanced 1 1/2 to 79p. USM-quoted Antomagic rose 9 to 71p in a narrow market; the interim figures are expected early next month.

GKN provided the main feature in the Engineering Group, rising 7 further to 125p in response to recent bullish Press mention. Among secondary issues, McKinnon, in which William Holdings has a stake, rose 1/2 to 57p, while BTR, a takeover favourite, advanced 1 1/2 to 79p. USM-quoted Antomagic rose 9 to 71p in a narrow market; the interim figures are expected early next month.

BTR up late BTR featured the late dealing, rising strongly to close 24 higher at 380p in response to news of the agreed sale of Cornhill Insurance to Allianz Group for a cash consideration of 280m; Allianz, the subject of the takeover, is expected to be listed on the London Stock Exchange in 1985. Among other miscellaneous industrial leaders, Glaxo, reflecting the current presentation in the US and currency influences, moved up 1/2 to a fresh peak of 216 1/2. Bechtel, still on US support and speculative activity, advanced 1 1/2 to 415p, while Metal Box rallied 1 1/2 to 574p, after Trafalgar House also became a better market at 316p, up 4.

RECENT ISSUES

Table with columns: Issue, Price, Yield, etc. Rows include various financial instruments.

FIXED INTEREST STOCKS

Table with columns: Issue, Price, Yield, etc. Rows include various fixed interest securities.

RIGHTS OFFERS

Table with columns: Issue, Price, Yield, etc. Rows include various rights offers.

TRADITIONAL OPTIONS

Table with columns: Option, Price, Yield, etc. Rows include various traditional options.

RISES AND FALLS YESTERDAY

Table with columns: Index, Rise, Fall, etc. Rows include various market indices.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index, Wed Jan 22, etc. Rows include various equity groups and sub-sections.

FIXED INTEREST

Table with columns: Index, Wed Jan 22, etc. Rows include various fixed interest securities.

YESTERDAY'S ACTIVE STOCKS

Table with columns: Stock, Price, Change, etc. Rows include various active stocks.

TUESDAY'S ACTIVE STOCKS

Table with columns: Stock, Price, Change, etc. Rows include various active stocks.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, etc. Rows include various European options.

LONDON TRADED OPTIONS

Table with columns: Option, Price, Yield, etc. Rows include various London traded options.

WORLD STOCK MARKETS

AUSTRIA

Table of stock prices for Austria, including companies like Creditanstalt, Oesterreichische, and others.

GERMANY

Table of stock prices for Germany, including companies like Allianz, Bayer, and others.

NORWAY

Table of stock prices for Norway, including companies like Bergens Bank, Christiania Bank, and others.

AUSTRALIA (continued)

Table of stock prices for Australia, including companies like BHP, Anglo, and others.

JAPAN (continued)

Table of stock prices for Japan, including companies like Dai-ichi Kangyo Bank, Industrial Bank of Japan, and others.

CANADA

Table of stock prices for Canada, including companies like Alcan, Inco, and others.

TORONTO

Table of stock prices for Toronto, including companies like Alcan, Inco, and others.

SPAIN

Table of stock prices for Spain, including companies like Banco de España, and others.

SWEDEN

Table of stock prices for Sweden, including companies like Astra, and others.

HONG KONG

Table of stock prices for Hong Kong, including companies like HSBC, and others.

BELGIUM/LUXEMBOURG

Table of stock prices for Belgium/Luxembourg, including companies like S.A. Belge, and others.

FRANCE

Table of stock prices for France, including companies like Bouffes du Nord, and others.

NETHERLANDS

Table of stock prices for Netherlands, including companies like AEG, and others.

ITALY

Table of stock prices for Italy, including companies like Agnelli, and others.

SWITZERLAND

Table of stock prices for Switzerland, including companies like Adia, and others.

SINGAPORE

Table of stock prices for Singapore, including companies like Overseas Chinese Banking Corp., and others.

SOUTH AFRICA

Table of stock prices for South Africa, including companies like Anglo, and others.

NEW YORK

Table of stock prices for New York, including companies like IBM, and others.

MONTEAL

Table of stock prices for Montreal, including companies like Alcan, and others.

INDICES

Table of stock indices for various markets, including NYSE, FTSE, and others.

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OVER-THE-COUNTER

Table of over-the-counter stock prices, including companies like Amgen, and others.

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INTERNATIONAL PROPERTY REVIEW THE FT EVERY FRIDAY

LONDON Chief price changes (in pence unless otherwise indicated)

NEW YORK ACTIVE STOCKS

NORTH AMERICAN QUARTERLY RESULTS

OVER-THE-COUNTER

NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include 12 Month High, Low, Stock, P/E, Div, Yld, and various price points. Includes sub-sections for 'Continued from Page 34' and 'WE REGRET New York closing prices are incomplete in this edition because of communication problems.' and 'U U'.

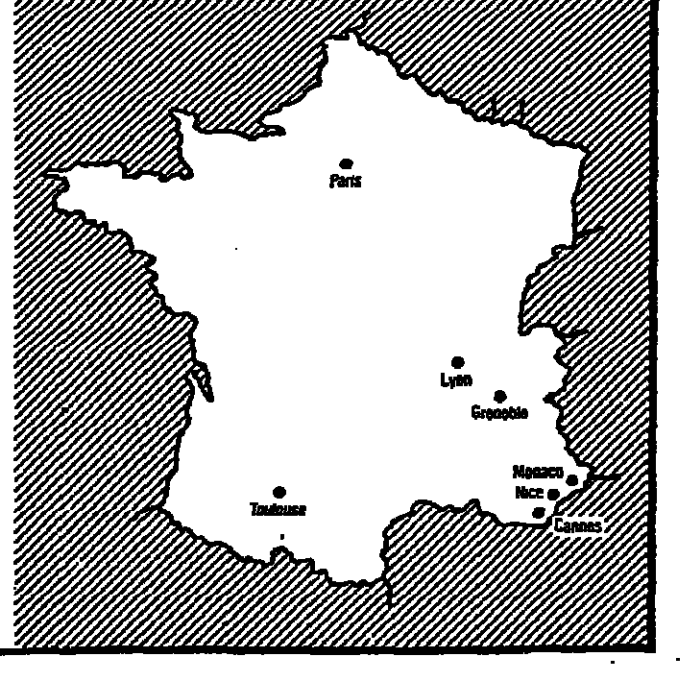
AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include Stock, P/E, Div, Yld, and various price points. Includes sub-sections for 'Continued from Page 34' and 'Continued from Page 35'.

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of Over-the-Counter (Nasdaq) national market closing prices. Columns include Stock, Sale, High, Low, Last, and various price points. Includes sub-sections for 'Continued from Page 34' and 'Continued from Page 35'.

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FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Worries over GNP lead to uncertainty

A DOWNWARD revision in federal estimates of GNP growth left Wall Street yet more uncertain of the economic outlook yesterday, writes Terry Byland in New York. A steadier trend in both crude oil and stock market index futures fuelled a brief rally in blue chips. But the banks took heavy punishment again, and federal bonds drew only temporary benefit from the unexpectedly large revision of the Commerce Department's GNP statistics.

Stocks opened higher behind firmness in the credit markets, but both sectors lost their gains quickly. Later in the session, the blue chips moved irregularly, and were susceptible to shifts in the index futures markets.

At the close the Dow Jones industrial average was 12.16 down at 1,562.29. Across the broader range, sellers continued active and the general appearance was mixed, with attention turning to the steady flow of corporate results.

In a firm motor sector, General Motors added 3/4 to \$704 after announcing plans for its European operations, while Ford at \$604 gained 3/4.

The technology sector turned sluggish, with IBM 5/8 off at \$148 1/2. Trading

results from Sperry left the stock unchanged at \$48 1/2. Among the personal computer makers, Apollo eased 3/4 to \$13 1/2 and Tandem Computer added 3/4 to \$23 1/2, both after trading statements.

Once again, it was the US bank stocks which made the most significant reaction to the latest fall in oil prices. Stocks in the oil majors held steady despite bearish comments from a Dean Witter analyst - other oil industry analysts have recently suggested that oil company earnings could stand up even against an oil price of \$20 a barrel.

Exxon lost 3/4 to \$50 1/2, again in heavy turnover, and Standard Oil of Ohio held steady at \$45 1/2. Chevron edged up 3/4 to \$35 1/2. Minor losses were suffered by Atlantic Richfield, 3/4 off at \$57 1/2, and Phillips, 5/8 off at \$11 1/2.

Features in the oil sector included a dip of 3/4 to \$2 1/2 in Mesa Petroleum as more than 2m shares changed hands.

But banks, with their portfolios heavy with domestic energy loans, fell widely. Manufacturers Hanover lost a further \$2 to \$43 1/2 in persistent selling. At \$71 1/2, Chase Manhattan fell 3/4, J.P. Morgan lost 1 1/4 to \$60 1/2, Bankers Trust 2 1/4 to \$68 1/2, and Security Pacific, the Californian bank, 1 1/4 to \$28 1/2.

Citicorp, sustained by strength in consumer lending, eased only 3/4 to \$44 1/2, announcing that it was buying two units from BankAmerica, with some analysts suggesting that the worst of the bank's troubles may now be behind it. BankAmerica recouped 5/8 of the fall which greeted the loss statement and dividend omission, to stand at \$13 in heavy turnover.

International Paper opened the reporting season for the industry with

news of a profit in the final quarter, but the news was expected and the stock eased 3/4 to \$50 1/2. Mead, the other paper group likely to report profits soon, traded at \$44 1/2, 3/4 off.

Wall Street's own reporting season opened with PaineWebber, the brokerage house, disclosing a substantial increase in earnings. At \$36 1/2, PaineWebber stock gained 3/4.

In pharmaceuticals, Bristol-Myers eased 3/4 to \$61 after announcing 1985 results.

There was a flurry of activity among chemicals; with Du Pont again under pressure, and down 1 1/4 to \$60 1/2. Union Carbide sprang back to life, jumping \$3 to \$78 1/2 after Kidder Peabody re-rated the stock upwards.

In the credit market, rates shaded lower despite firmness in federal funds, which remained at 8 per cent despite Fed intervention with overnight system repurchases at that rate. The Fed's move reflected technical factors associated with the bank settlement operation.

Bonds opened sharply higher, quickly turned lower, and then edged higher again as traders assessed the implications for the downgrading of Commerce Department GNP estimates for the final quarter of last year. Treasury bill rates dipped below 7 per cent again, and some analysts commented that the revision of the economic growth statistics revived the chances for a cut in federal discount rate.

TOKYO

Demand for blue chips sparks rally

A TECHNICAL rally of blue chips in Tokyo yesterday helped share prices to rebound after four consecutive losing sessions, writes Shigeo Nishiwaki of Jiji Press.

A lack of motivation and a shortage of institutional investors prompted securities house dealers and individuals to seek selected incentive-backed shares, especially blue chips such as JVC and Old Electric.

The Nikkei average gained 41.82 to 12,923.32 on volume of 286m shares, up slightly from the previous day's 232m. Advances outnumbered declines by 437 to 377 with 132 issues unchanged.

Many investors, discouraged by the decline on Wall Street this week, stayed on the sidelines, awaiting the announcement yesterday of preliminary US economic growth figures for the final quarter of last year. Forecasts ranged from 2.5 to 4 per cent.

Among stocks favoured by securities house dealers and private investors was Fuji Electric, which was the most active stock with 16.6m shares traded. It rose Y2 to Y355.

Renewed speculation of business links with IBM and Nippon Telegraph and Telephone pushed NTK Electric up Y27 to Y707 in active trading. JVC added Y40 to Y2,010 on reports that it will boost compact disc production.

Mitsubishi Steel Manufacturing benefited from increased demand for new materials such as amorphous iron alloy and soared Y54 to Y421. Planned work on Japan's traffic systems boosted Nippon Signal Y42 to Y560 and Showa Electric Wire and Cable Y15 to Y385.

Road-related stocks were popular in the light of planned expressway improvements. Nippon Road added Y39 to Y665 and Nippon Hodo Y40 to Y1,550.

Japan Line, which plummeted on dealers' short-selling in the previous session, returned to favour, climbing Y8 to Y68 on a volume of 12.6m shares, the second most active.

The brighter outlook for semiconductors lifted Shin-Etsu Chemical Y48 to Y925 and Kokusai Electric Y80 to Y2,200. Apart from active trading in some blue chips, profit-taking dominated the market. Many securities houses expect aggressive buying interest to revive if the flash estimate for US economic growth in the final quarter of last year is in the 2 per cent range.

The bond market strengthened in the morning in response to an overnight upturn in dollar bond prices in London and New York. The yield on the benchmark 6.2 per cent government bond due in July 1995 fell to 5.720 per cent at one stage from Tuesday's 5.770 per cent, but bounced back to around 5.730 per cent later.

SOUTH AFRICA

A LACK of fresh trends and a drifting bullion price left golds easier after showing gains on Tuesday.

Buffels and Driefontein each closed 25 cents lower at R84.75 and R54.25 respectively, while FS Geduld was 75 cents down at R56.

Mining financial Anglo American was 40 cents lower at R42.55, diamond share De Beers lost 20 cents to R17.90 and Rustenburg Platinum slipped 35 cents to R27.25.

CANADA

A SHARP FALL among some blue chips unsettled Toronto, which traded sharply lower.

Northern Telecom continued to slide after reporting flat fourth-quarter earnings on Tuesday. It traded C\$3/4 down to C\$38 1/2. Bell Canada, Northern's parent, lost C\$1 1/4 to C\$31 1/2.

Among actives, Gulf Canada rose C\$3/4 to C\$20 1/2 ahead of its January 31 special shareholders' meeting to approve a proposed reorganisation.

In Montreal, all sectors traded lower.

EUROPE

Lower oil price fuels profit-taking

THE ROUT by profit-takers on the European bourses yesterday was given further encouragement by the fall in world oil prices. Isolated transport stocks, however, were able to derive some comfort from the prospect of a cut in fuel costs.

Frankfurt again had the dubious honour of recording the sharpest fall as the Commerzbank index retreated 31.4 to 2,044.7.

The largely technical correction gathered momentum with the overnight fall on Wall Street and the realisation that the German banking sector may yet again be exposed to the horror of new Third World loan defaults if the slumping oil price poses a threat to producer economies.

Deutsche Bank took a DM 28 fall to DM 840 while Dresdner Bank weakened DM 19 to DM 434.

Carmakers were also marked down further. Daimler, which said it would not extend its formal offer for AEG shares beyond the end of the month, shed DM 48 to DM 1,239. The quality car group is offering DM 170 each for the electrical concern's shares which yesterday slipped DM 9 to DM 280.

Even national carrier Lufthansa failed to benefit from the prospects of cheaper aviation fuel and shed DM 2.50 to DM 275 ahead of plans to cut fares on some long-haul routes.

Moving against the trend were Rosenthal which held steady at DM 350 after the DM 6 gain of the previous session while construction group Holzmann added DM 15 to DM 560 and Metallgesellschaft resumed its upward trek with a DM 5 rally to DM 395.

The bond market was easier with losses of up to 30 basis points against a backdrop of receding interest rate hopes. The Bundesbank confined its market balancing exercises to purchases of DM 11m against sales of DM 37.9m on Tuesday.

Zurich adopted a cautious stance in the wake of the overnight fall on Wall Street and the sharp fall on the German bourses.

Swissair picked up SFr 15 to SFr 1,840 on the likelihood of cutting its fuel bill while other smaller transport issues firmed.

Financial holdings were subdued and tended lower with Muenchener SFr 225 down at SFr 5,225. Hasler registered SFr 100 off at SFr 3,800; Oerlikon-Bührle certificate eased SFr 25 to SFr 490 while its bearer form slipped SFr 9 to SFr 1,690.

Brussels slipped on oil worries as Petrofina, which recently increased its exposure in the North Sea, lost Bfr 90 to Bfr 8,210. Metals group Vieille Mon-

tagne suffered one of the sharpest drops of the day with a Bfr 400 fall to Bfr 5,900 in a narrow market.

The Belgian Stock Exchange index retreated 5.40 to 2,817.33.

Milan was caught between a heavy technical reaction to recent advances and the spectre of political uncertainty. Olivetti retreated below the five-digit hurdle with a L280 decline to L9,770 while Fiat lost L136 to L6,385 despite the announcement of improved results.

Amsterdam suffered from the unease in neighbouring West Germany and a sober opening in New York.

Oil was again the catalyst. Royal Dutch was knocked down Fl 4.10 to Fl 169.40 while KLM firmed 50 cents to Fl 61.20 on strong Swiss buying.

Insurer Nat-Ned picked up 30 cents to Fl 83.30. Aegon shed Fl 1.80 to Fl 113.70.

A modicum of bargain hunting returned some sheen to a slightly dulled Paris.

Bouygues was one of the first of the Channel Tunnel related groups to respond to the go-ahead for the fixed-link and gained Ffr 5 to Ffr 1,010 while Lesieur in foods firmed Ffr 18 to Ffr 738 in a brave attempt to rebound from the profit-taking experienced earlier this week.

Construction issues led Madrid lower while the weaker oil price and reports of foreign divestment from Norwegian equities depressed Oslo again. A mixed Stockholm saw Fermenta top the active list with a SKr 11 surge to SKr 294 while Volvo was also a focus of attention with its SKr 5 slip to SKr 349 ahead of results.

LONDON

Rebound as interest fears recede

INTEREST-RATE fears receded and London rebounded yesterday despite sterling's dismal performance against other leading currencies. The FT index closed 14.9 up at 1,123.6.

Among actives Glaxo, which will be quoted ex the one-for-one scrip issue on Monday, closed 2 1/4 up to a new peak of £18 1/2.

Beecham, the subject of speculation of a big takeover bid, added 1 1/2 to 34 1/2. ICI closed 20p up to 772p on continuing reaction to the bid from Hanson Trust, up 1p to 194p.

Among oils BP again rose, adding 1 1/2 to 365p. Short and longer-dated gilt-edged securities, after rising marginally, returned to overnight or slightly lower levels by the close.

Chief price changes, Page 33. Details, Page 32. Share information service, Page 30, 31.

AUSTRALIA

THE CLIMB to new heights continued in Sydney with gains by key industrial stocks providing most of the impetus. The All-Ordinaries index added 1.7 to 1,069.0, despite a weakening of some resources stocks.

BHP lost all its gain of the previous session to close 4 cents down at A\$8.18. Bell Resources, which added 50 cents on Tuesday after announcing a huge increase in profits, slipped back 4 cents to A\$8.46.

Among mines North Broken Hill shed 1 cent to A\$2.81 as takeover speculation subsided.

Industrials showing gains included Bell Group, 24 cents up at A\$7.54, James Hardie 5 cents higher at A\$3.40, and Elders IXL, 6 cents firmer at A\$3.18.

SINGAPORE

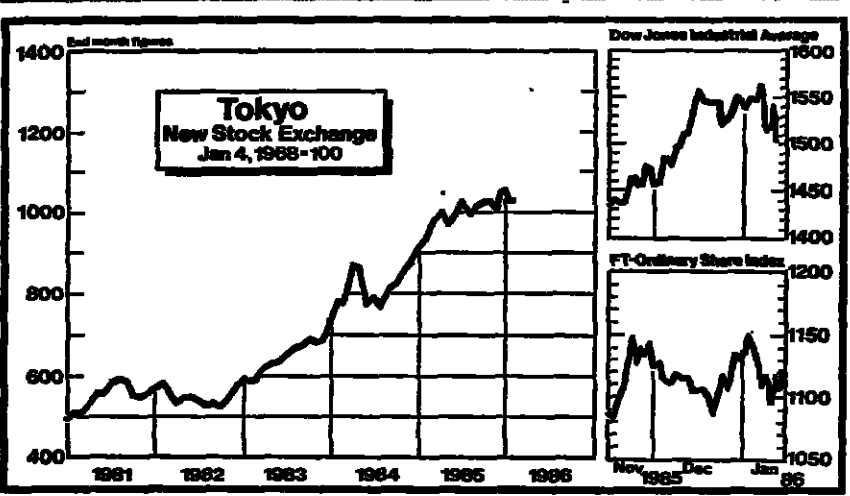
NERVOUS TRADING took Singapore sharply down across a broad front in the wake of the detention of Tan Koon Swan in connection with the difficulties at Pan-Electric Industries.

The Straits Times industrial index slipped below the 600 barrier to close 11.48 down at 588.61, its lowest for almost two years.

The session opened to a wave of worried selling but later bargain-hunting reduced some of the losses, particularly among selected blue chips.

Among financials Hong Leong Finance closed 20 cents down at S\$2.20, while among industrials Cold Storage shed 6 cents to S\$2.25, Singapore Press lost 10 cents to S\$5.60 and Singapore Airlines was 2 cents down to S\$4.82.

KEY MARKET MONITORS



STOCK MARKET INDICES			
	Jan 22	Previous	Year ago
NEW YORK			
DJ Industrials	1,510.55*	1,514.45	1,258.50
DJ Transport	714.51*	715.93	594.11
DJ Utilities	168.91*	170.80	147.83
S&P Composite	204.47*	205.79	175.48
LONDON			
FT Ord	1,123.6	1,108.7	1,003.7
FT-SE 100	1,380.9	1,378.1	1,305.7
FT-A All-shares	673.55	667.34	618.89
FT-A 500	738.13	730.19	679.99
FT Gold mines	335.3	341.8	454.3
FT-A Long grt	10.77	10.80	10.71

CURRENCIES			
	Jan 22	Previous	Jan 22
US DOLLAR			
(London)			
\$	-	-	1.3945
DM	2.4475	2.457	3.4125
Yen	201.55	202.4	261.0
FFr	7.5125	7.54	10.6075
SFr	2.076	2.084	2.895
Guilder	2.758	2.765	3.845
Lira	1.8655	1.8735	2.3225
SFr	49.8	50.15	69.45
C\$	1.40435	1.40545	1.9585

INTEREST RATES			
	Jan 22	Prev	
Euro-currency			
(3-month offered rate)			
\$	13 1/8	13 1/8	
SFr	4 1/2	4 1/2	
DM	4 1/4	4 1/4	
FFr	12 1/2	12 1/2	
FT London interbank fixing			
(offered rate)			
3-month US\$	8 1/4	8 1/4	
6-month US\$	8 1/4	8 1/4	
US Fed Funds	8 1/4	8 1/4	
US 3-month CDs	7 3/4	7 3/4	
US 3-month T-bills	6 3/8	7 0/8	

US BONDS			
	Jan 22*	Prev	Yield
Treasury			
7% 1987	99 1/2	8 1/19	99 1/2
8% 1993	98 1/2	8 0/28	98 1/2
9% 1995	101 1/2	9 2/28	101 1/2
9% 2015	104 1/2	9 4/16	104 1/2
Treasury Index			
Maturity (years)	Return	Day's change	Yield
1-30	137.51	+0.01	8.89
1-10	134.39	+0.07	8.63
1-3	129.37	+0.10	8.26
3-5	136.33	+0.11	8.78
15-30	148.69	-0.22	9.78

FINANCIAL FUTURES			
	Jan 22*	High	Low
CHICAGO			
US Treasury Bonds (CBT)			
8% 32nds of 100%	83-16	84-13	83-08
US Treasury Bills (BMT)			
\$1m points of 100%	93.14	93.18	93.08
90-day	93.14	93.18	93.08
180-day	92.25	92.31	92.23
360-day	92.25	92.31	92.23
LONDON			
Three-month Eurodollar			
\$1m points of 100%	91.99	92.03	91.90
20-year National Gilt	250.00	32nds of 100%	
Mar	107-12	108-03	107-05

STOCK MARKET INDICES			
	Jan 22	Previous	Year ago
TOKYO			
Nikkei	12,923.32	12,861.5	11,688.1
Tokyo SE	1,027.53	1,025.8	931.67
AUSTRALIA			
All Ord.	1,089.0	1,057.8	758.5
Metals & Mins.	545.5	545.9	441.4
AUSTRIA			
Credit Aldian	123.02	124.47	58.22
BELGIUM			
Belgian SE	2,817.33	2,822.73	2,118.29
CANADA			
Toronto			
Metals & Mins	2,159.3*	2,193.2	2,093.1
Composite	2,766.4*	2,814.2	2,491.8
Montreal			
Portfolio	135.06*	137.34	125.81
GERMANY			
SE	n/a	214.37	165.46
FRANCE			
CAC Gen	271.3	271.4	191.9
Ind. Tendance	102.3	102.8	104.7
WEST GERMANY			
FAZ-Aktien	687.82	687.42	402.86
Commerzbank	2,044.7	2,076.1	1,171.1
HONG KONG			
Hang Seng	1,737.94	1,776.19	1,373.82
ITALY			
Banca Com.	477.09	489.47	256.67
NETHERLANDS			
ANP-CBS Gen	251.0	253.0	195.3
ANP-CBS Ind	251.7	254.1	157.1
NORWAY			
Oslo SE	376.97	383.85	319.95
SINGAPORE			
Straits Times	588.61	600.09	770.68
SOUTH AFRICA			
JSE Golds	-	1,279.0	1,025.7
JSE Industrials	-	1,097.5	906.1
SPAIN			
Madrid SE	111.25	111.70	103.14
SWEDEN			
J & P	1,766.52	1,763.93	1,428.83
SWITZERLAND			
Swiss Bank Ind	586.5	594.0	407.1
WORLD			
MS Capital Int'l	252.1	253.5	193.6

COMMODITIES			
	Jan 22	Prev	Year ago
(London)			
Silver (spot fixing)			